

this title, information concerning the foods available to such State agencies, title VI grantees, area agencies on aging, and providers under subsection (c)."

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by section 2 shall take effect beginning with fiscal year 2008.

(b) APPLICATION PROCESS.—Effective on the date of enactment of this Act, the Secretary of Agriculture shall take such actions as will enable State agencies and title VI grantees described in section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a) to apply during fiscal year 2007 for allotments under such section for fiscal year 2008.

Mr. LOEBSACK. Mr. Speaker, this bill makes technical corrections to the Older Americans Reauthorization Act of 2006. The bill would restore language regarding the administration of the Nutrition Services Incentive Program that existed prior to the Older Americans Act Reauthorization of 2006.

Prior to the reauthorization, this nutrition program provided cash or USDA commodities to states to supplement meals for the elderly. Six states chose to receive USDA commodities through the program—Massachusetts, Kansas, Connecticut, Oklahoma, Nevada, and Delaware. However, while attempting to relieve administrative burdens for USDA during the last reauthorization, Congress inadvertently denied states the ability to directly purchase essential USDA commodities.

This was not the intent of Congress. The states that receive USDA commodities run tremendous programs that help provide nutritious meals to seniors. Many states reported that they were able to double the value of their appropriated funds by purchasing USDA commodities and Massachusetts reported that because of this program they were able to avoid waiting lists for meals for 17 years.

I've heard from my fellow Iowans on the importance of this program as well. Iowa has participated in this program and recognizes its benefits. We never received much money for commodities—only about \$155,000—but the money goes a long way. Our Area Agencies on Aging often have a hard time meeting their budgets, but USDA commodities allowed them to serve more meals at a higher quality. Iowa fully intends to take advantage of USDA commodities again once we pass this bill.

This bill hasn't strayed from Congress' original intent either. The bill reduces the administrative burden on USDA, and streamlines the transfer of funds between the Department of Health and Human Services, to which funds are appropriated, and the Department of Agriculture, which purchases commodities for the states.

We must pass this bill today so that states wishing to take some or all of their NSIP allotment in commodities may place their order with the Department of Agriculture for FY 2008 by April 7th.

It's time to fix the mistakes that were made and allow these state to continue to serve seniors the most effective way possible.

The Senate bill was read a third time and passed, and a motion to reconsider was laid on the table.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

The SPEAKER pro tempore. Pursuant to House Resolution 275 and rule

XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the concurrent resolution, H. Con. Res. 99.

□ 1714

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the concurrent resolution (H. Con. Res. 99) revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal years 2009 through 2012, with Mr. ALTMIRE in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered read the first time.

General debate shall not exceed 4 hours, with 3 hours confined to the congressional budget, equally divided and controlled by the chairman and ranking member of the Committee on the Budget, and 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from New York (Mrs. MALONEY) and the gentleman from New Jersey (Mr. SAXTON).

The gentleman from South Carolina (Mr. SPRATT) and the gentleman from Wisconsin (Mr. RYAN) each will control 90 minutes on the congressional budget.

The Chair recognizes the gentleman from South Carolina.

□ 1715

Mr. SPRATT. Mr. Chairman, I yield myself 9 minutes.

Mr. Chairman, H. Con. Res. 99 is not the full and final solution, but it is a good solution. It moves us in the right direction towards a balanced budget. It moves us to balance in 5 years, as a matter of fact, by 2012. It posts a smaller deficit than the President's budget over 5 years. It adheres to PAYGO, and it contains no new mandatory spending that is not fully offset.

It also includes program integrity initiatives to root out waste, fraud and abuse in the Department of Health and Human Services and in the reporting of taxes in the Internal Revenue Service.

Mr. Chairman, I have listened to this resolution described both in our markup in committee and today during the debate on the rule. I think you have to bear in mind what our critics have said, in terms of where the criticism is coming from, because the party that is opposing this resolution and criticizing this resolution is the same party that took a surplus of \$5.6 trillion between 2002 and 2011 and turned it into a deficit of \$2.8 trillion during this same period of time.

As a consequence, we have heard a lot of talk out here today, but the

truth of the matter is, with respect to taxes, their bill imposes on future generations, our children and grandchildren, an unerasable tax called a debt tax, because they will be servicing the debt of the United States for years to come.

Let me show you just a few charts to illustrate what I mean.

First of all, the chart showing the debt of the United States that has increased since 2001 when Mr. Bush took office. This is a simple chart, but it contains an enormous amount of truth.

When Mr. Bush took office in 2001, he came to office with an advantage that few American presidents have ever enjoyed, a budget in balance, in surplus by \$236 billion the year before. Within 4 years, he had driven that surplus of \$236 billion into a deficit of \$418 billion; and, as a consequence, the debt when he took office, which was \$5.7 trillion, today is \$8.8 trillion, having increased \$3.1 trillion over the last 6 years.

We have never seen a debt accumulation like this, certainly during any normal period of time. Except for the Depression or Second World War, we have never seen, except for those periods, any kind of accumulation of debt that approaches this. And if we continue on this path, if we continue on this path, then we will see the debt, by the time Mr. Bush leaves his presidency, at \$9.6 trillion, as opposed to \$5.7 trillion when he came to office.

Net interest on the national debt is today \$170 billion. That is the debt tax I am talking about. This is the debt service that our children and their children will have to pay for years to come. It is a debt tax that is indelible, almost permanent, unless we can do something to turn this budget around and start reducing our debt, instead of accumulating mountainous debt year in and year out.

The budget that we bring to the floor today fully funds the President's defense request, and we husband what little is left over for some centerpiece initiatives which we strongly support as Democrats.

First of all, we created in 1997 a Children's Health Insurance Program. The authorization for it runs out this year. We would propose in our budget resolution to reauthorize the CHIP program, Children's Health Insurance, and add \$50 billion to the program so we cover most of the children who are eligible for coverage in the United States.

The second point: With respect to education, we think the education of our children, of today's workforce, is critically important as never before in American history; and we think it would be shameful to cut back for education. But for 3 straight years President Bush has sent us a budget that would cut the Department of Education, this year by \$1.5 billion.

If you take Function 500, which includes elementary and secondary education and student loans and workforce investment and Trade Adjustment Assistance Training, the Bush administration requests \$3.6 billion next year

less than this year; and in 2012 the request is \$8.6 billion below current services. That is for training our workforce. That is what this administration is willing to invest in the education of our children.

We feel differently, and strongly differently, and we provide \$8 billion to \$9 billion more than the President and, over 5 years, \$46 billion more than the President provides for education and job training and related activities.

We also call for a long-term fix in the Alternative Minimum Tax. The President has told us twice that they can take the Alternative Minimum Tax and, within the context of the Tax Code in a revenue-neutral manner, change the Alternative Minimum Tax so that it will not extend to middle-income families for whom it was never intended. They have told us that, but they are yet to do that.

We are saying in this budget resolution to the Ways and Means Committee, given its jurisdiction over taxes, and to the administration, we need to fix the AMT.

You will hear, as you have heard earlier today, a lot of talk about this being the biggest tax increase in American history, which is absolutely absurd. The Democratic budget resolution which I am presenting right now, introducing, which we will discuss tonight, does not raise taxes, period. The budget resolution that we bring to the floor tonight in no way affects the tax cuts that were passed in 2001 and in 2003. It leaves those tax cuts in place for 2007, 2008, 2009 and 2010.

What we do assume is the same revenues that CBO projects in its current baseline. If you look at the CBO baseline and the OMB baselines, you will find they virtually converge. There is about a 1.2 percent difference between the two of them, as this chart right here will easily show you.

All this palaver about taxes and the biggest tax increase in history, this is the difference between our revenue projections, the green bar, and theirs, which is blue, 1.2 percent over a 5-year period of time.

Looking at this budget in its whole context, three outside groups which are vigilant overseers and advocates for good, sound fiscal policy, the Concord Coalition has said, "Thus, to be clear," this is how they sum up their letter, "this budget resolution does not call for or require a tax increase." As plain as you can put it, from a group that is truly disinterested and independent politically.

Then we have got the Brookings Institution, the Hamilton Project. "This budget would not raise taxes." "This budget would not raise taxes."

Finally, the Center on Budget and Policy Priorities, they took a look at our budget and they said, "This claim is just flat incorrect. The House plan does not include a tax increase."

What the House plan does do is allow the tax cuts that were passed in 2001 and 2003 to follow their course. They

will expire on December 31, 2010. Not because of this budget resolution. It doesn't have a thing to do with the expiration or extension of those tax cuts. But, in 2010, those tax cuts expire of their own volition, because they were so drawn, designed, intended by those on this side of the aisle, the Republicans. They were designed to expire on December 31, 2010.

What we are simply assuming in this budget resolution is that that decision will be taken when we reach it. When we have to cross that bridge, we will cross that bridge. We will know then what our deficit is in 2010. We hope we will have a surplus by that point in time; and if we have a surplus, we will know whether or not we can offset it against the extension of some of these tax cuts.

I will say this and will say it repeatedly: Read this budget resolution. Give us a fair shake. And you will find in two different places prominently inserted, this resolution says we endorse, we support, and we will seek the renewal of the middle-income tax cuts that have been passed since 2001 and 2003, the marital tax penalty, the child tax credit, the 10 percent bracket, State tax reform. All of these things we embrace and we pledge ourselves to the extension to see when they expire, as they will, they will be duly renewed.

We will have this debate continually throughout the night. It will be brought up again and again and again. But I want to say one final thing: This budget resolution does not raise taxes, and it does not cause the expiration of the 2001 and 2003 tax cuts. They expire of their own volition.

Mr. Chairman, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 12½ minutes.

Mr. Chairman, first off, I would like to start off this debate by paying a compliment to the gentleman from South Carolina (Mr. SPRATT). The gentleman from South Carolina is just that. He is a gentleman. He is a good man, he is a man who has a tough job, and he is a man who I enjoy working with.

The key to this year's budget debate is not whether Congress should balance the Federal budget. Republicans and Democrats this year are agreeing that we need to balance the Federal budget. The key is about how we are going to get there.

Today, as this House debates both the Democrats' and the Republicans' budget proposals for fiscal year 2008, it will become clear that this is much more than a simple discussion about numbers and how they add up over the next few years. Instead, this is going to be a bigger debate about our different governing philosophies, about what kind of society we envision, about what kind of country we want to leave to future generations.

The budget that the Democrats have proposed is true to their philosophy. I give them credit for that. They believe

that more government is better government and that the best way to solve the myriad problems we face in this country is to spend more and more and to tax our people more and more to pay for that spending.

The Democrats' budget reflects this philosophy by calling for the largest tax increase in American history. I will make this irrefutably clear throughout the course of this debate: They call for immense new spending and postponement of critical entitlement reforms for another 5 years.

If Congress passes this budget tomorrow, this will enshrine the raising of taxes to the tune of \$400 billion on the American family, worker and business. And we are not just talking about raising taxes on the rich, as they would like to have us believe. We are talking about raising taxes on every single American income tax payer. This means raising marginal income tax rates on all taxpayers; eliminating the 10 percent bracket that has benefited numerous low-income individuals; raising the tax on capital gains and dividends and discouraging investment in our economy and saving for our seniors; slashing the child tax credit in half; reinstating the marriage tax penalty; reimposing the death tax; and eliminating the State and sales tax deduction for States like Texas and Florida.

Let me just show you where the lie is. It is not in the numbers. The lie is in the so-called reserve funds. They can give you all the words they want. They can say they put all these fancy words in this budget that says we don't want to raise taxes, we want this new spending. But what a budget resolution is is a bunch of numbers, and numbers don't lie, Mr. Chairman.

This budget requires, banks on, plans for, assumes, insists upon the largest tax increase in American history. Otherwise, they don't balance the budget.

So my friends on the other side of the aisle can have it one way or the other, but not both. They can say they are balancing the budget. But, according to their budget, they therefore have to raise taxes. Or they can say they are not raising taxes, at which hand they then are not balancing the budget. They can't have it both ways.

□ 1730

The line, the red line, which is the revenue baseline, does not lie.

Now, their revenue numbers show it. And they can bring in all the left-leaning think tanks that have been in favor of tax increases in the past and in the present to say that this isn't a tax increase, but come December 10, January 31, that is the last day people have a \$1,000 tax credit. It is the last day married couples won't be taxed for being married. It is the last day the death tax isn't at zero. It is the last day income tax rates don't go up across the board. That is what happens.

They have also made more than \$100 billion worth of additional spending

promises in this budget, if they are off-set. That's what all these reserve funds are about; more money for this program, more for that program, more money for this program, maybe some tax relief for the middle class. We have a reserve fund for it. My friends, a reserve fund is worth less than the paper it's printed on because all it says is we have these priorities, these ideas, these things we would like to do, we have no money for it; middle-class tax relief, more money for SCHIP, farm programs.

But if we did come up with the money to pay for these programs, we would like to do it; but we don't have the money, so we're not doing it. That is basically what a reserve fund is.

What we really have here, Mr. Chairman, is a huge tax increase, a tax increase that will have the effect of significantly increasing the burden on individual taxpayers and small businesses and will completely ignore the positive growth impacts that these tax cuts encouraged since 2003.

Let's review some of the effects that low tax burdens have had on economic growth, on jobs. Before we provided tax relief in 2003, we were losing an average of 100,000 jobs a month. Since then, we have added 7.6 million new jobs; about 170,000 new jobs have been created per month since the tax relief.

The economy. Before tax relief occurred in 2003, the economy grew at an average rate of 1.1 percent. Now it has been 3.5 percent since then, faster than it has grown in the last three decades, on average.

Unemployment. When we passed tax relief, the unemployment rate was at 6.1 percent, now it's all the way down to 4.5 percent.

Business investment. When we passed tax relief, business investment had been down for nine straight quarters. Since then, business investment has been up for 15 straight quarters. That is where the 7.6 million new jobs got created. Unfortunately, the Democrat budget would ignore all of this, with immense tax increases that threatened to put us right back where we were in the recession of 2001.

And now on revenues. What they will tell you is that the revenues are the reason why we are in deficit. What they will tell you is that the tax cuts drove us deeply into deficits. That is completely untrue. On the contrary. If you take a look at this chart, the tax relief actually had the effect of increasing job creation and revenues coming into the Federal Government.

We had 3 straight years of revenue decline during the recession. The tax cuts kicked in. What happened? Revenues went up exponentially, to the point where we have had double digit revenue gains for the last 3 years, and as a consequence, the deficit has been going down. These surging revenues have been a key factor in reducing this deficit.

Mr. Chairman, the wrong way to balance the budget is to raise taxes. The

right way to balance the budget is to control spending. We do not have a revenue problem in Washington. Money is coming in very quickly from taxpayers. What we have here is a spending problem. And the Democrats are making it worse because they are calling for all this new spending.

For all of their talk about reducing the deficit, all they have done since they came into the majority is to spend more and more money, and we are only into the end of March. First they passed the omnibus bill that added \$6 billion in new spending. Next came the supplemental for the warfighters in Iraq and Afghanistan; they added \$21 billion in unrelated and unrequested spending. And now their budget resolution adds another \$24 billion in new spending next year alone.

For all the additional spending and gimmicks, the worst thing about this budget is not just the tax increases and the new spending, it's about what it does not include. This budget does nothing, absolutely nothing, to address our entitlement problem. This is what needs to be fixed, Mr. Chairman.

We had all these eyewitnesses, all these experts come from the left and the right that the majority called, from the GAO to CBO to other groups, all talking about the fact that our Nation is facing a fiscal crisis, that entitlements are growing out of control, that our primary responsibility in crafting our budget should be to address entitlement spending. Let me read some quotes from the Democrats' own witnesses.

The Comptroller General of the GAO has called the rising costs of government entitlements a fiscal cancer that threatens catastrophic consequences for our country and could bankrupt America. The Chairman of the Federal Reserve came to testify. He said, "Without early and meaningful action to address the rapid growth of entitlements, the U.S. economy could be weakened, with future generations bearing much of the cost." Even the Democrats' own witnesses from the Concord Coalition testified to the same.

They've heard all of these witnesses, they've heard all these warnings, and they have chosen in this budget to do nothing. There is not a single reform, a single dollar of savings from entitlements. Obviously, they seem to be unconcerned with the \$4.6 trillion in liability that Social Security has, which grows every year by \$600 billion; or the \$32 trillion in liability that my children are facing that gets larger and larger every single year.

With this budget, they have simply accepted that we are going to continue to pile up massive amounts of debt to our children, and we are going to force them to pay double what we pay in taxes today to sustain these programs.

This brings me to my final chart, a chart by the General Accounting Office. We know that if we fail to reform entitlements, the Federal Government

will double in size by the year 2040. When my kids reach my age, this budget would leave them with the choice of either paying double our current tax rate, or accepting the fact that we just don't have enough money to spend on health care, defense, national security or education.

I believe this is an enormous missed opportunity by the Democrats. Yes, the Democrats balance the budget in 2012, and they should be commended for reaching that goal. But at what price are they balancing the budget? They hit balance only because they are imposing the largest tax increase in American history. We still will have all of the same problems though.

They are not reforming anything in government. They are not reforming any program. They are just calling for the American taxpayer to send more money in Congress so we can continue to spend too much money. And because of the path of big government and the tax-and-spend policies that the Democrats have chosen, this is going to be a very short-lived success. As soon as we get back to this balanced budget on paper in 2012, the year where their budget gets balanced on the backs of taxpayers, it won't be long before entitlement spending drives the Federal Government right back into deficits as far as the eye can see.

This is not a Republican and Democrat issue. The fact is every independent expert in America that watches fiscal issues knows that government is growing out of control. We have really important programs that need our attention, Medicare, Medicaid, Social Security, the three most important programs, in my particular opinion, in the Federal Government. Important programs, and programs people depend on, organize their lives around. We have to reform these programs in order to save these programs, yet they are doing nothing to do that. And because their budget does nothing to save these programs, they are hastening the day at which they go bankrupt. That is an abdication of responsibility.

No matter how you put it, Mr. Chairman, this is a tax increase. No matter how you put it, Mr. Chairman, a reserve fund, no matter what flowery language you can attach to it, no matter what left-leaning think tank you can have to say whatever you want, a tax is a tax.

In our budget, we make sure that these tax increases don't hit American families. We make sure the marriage penalty stays away. We make sure the child tax credit stays up. We make sure tax rates are down. We make sure the death tax goes away. What do they do? They insist upon, they require, they depend upon all these tax increases. If they don't, their budget doesn't balance. They can't have it both ways.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, before yielding to the gentleman from Texas, I yield myself 1 minute to reply.

Mr. Chairman, the gentleman will acknowledge that they have requested in their budget resolution \$278 billion in reconciled tax cuts in Medicare, Medicaid, student loans and a number of different areas. He is faulting us for not joining in this endeavor. That is partly because, number one, we don't agree with his specific cuts. But number two, having so-called saved \$278 billion, there is then enacted by reconciliation directive to the Ways and Means Committee \$447 billion in tax cuts.

So the net effect is not to use entitlement cuts for reform, but to actually add to the deficit \$168.5 billion.

Mr. Chairman, I now yield 8 minutes to the gentleman from Texas, a distinguished member of the Ways and Means Committee.

Mr. DOGGETT. I thank the gentleman for his leadership on this resolution.

You know, listening to these Republican complaints about this budget resolution, it kind of takes you into some sort of strange magic kingdom. They live by the first law of Disney, that wishing will make it so. They thought they could wish away the results of their tax policy changes, but we all suffer in national debt as a result of them. And no matter how long they wish and how hard they wish, they will not find the phantom taxes that they claim are increased in this budget resolution. We write our tax policy right in the black and white.

This year, additional revenues, zero. Next year, zero. The following year, zero. The following year, zero. The following year, zero. 2012, zero, but that year we still achieve a \$154 billion surplus, the first time we will have a surplus in our budget since President Clinton left office.

You know, like Mickey Mouse and Tinker Bell, the Republicans are living in a land of fairy tales. But instead of imaginary friends, they've got imaginary demons, tax demons that come out. We cannot follow them on a path that is paved with fools gold deeper and deeper into national debt.

Mr. Chairman, I yield to the gentleman from Oregon.

Mr. BLUMENAUER. I appreciate the gentleman's courtesy and I appreciate his calling the attention, if not to our Republican friends, but to the American public, that they can look at page four in the resolution that is before us and find what has been said is simply not true.

Additionally, they can keep thumbing to page 46, which deals with what our policy is, in fact. Because we do want to minimize the impact on middle America. We make it clear that we are very interested in terms of being able to support extensions, the extension of the child tax credit, the extension of the marriage penalty relief and the extension of the 10 percent individual income tax. What we are not interested in doing is buying into the grab bag of special interest tax benefits, most of which flow to the Americans who are most well off.

I want, if I could, to just make one point in terms of talk of the largest tax increase in American history. Well, it's coming. There is a tax tsunami that is bearing down not just on the rich, not just on the upper middle class, but on middle America, and it is called the "alternative minimum tax."

For 6 years, Republicans in charge have had an opportunity to rebalance tax priorities in this country. My colleagues and I have called upon them to deal with permanent adjustment to the alternative minimum tax. They have refused. So now we have inherited a serious problem that is going to mean that middle America is facing the alternative minimum tax. Twenty-six million American families, 89 percent of people who earn between \$75,000 and \$100,000 will pay the AMT by 2010. Stopping this increase is our priority, that is what we are going to focus on, that is what we have committed to, that is what we are going to do, something that the Republican majority have failed to do in 2001, 2003, 2004.

Mr. DOGGETT. Indeed, those are the true missed opportunities, 6 years of missed opportunities under this administration.

As the gentleman points out so well, our objective here is to respond to the legitimate tax concerns of middle-class families, but to do it in a fiscally responsible way. No more will we borrow from our children and our grandchildren to finance tax cuts for the wealthy few now.

Mr. Chairman, I know, the gentleman from California, serving on the Ways and Means Committee, is very familiar with what we have gone through in this last 6 years of Republican borrow and spend policies.

I yield to the gentleman from California.

Mr. BECERRA. I thank the gentleman for yielding. And I agree with my colleagues.

As we discuss here what we are going to do in this Democratic budget resolution, I think the first thing we have to remember is we are going to pass a Democratic budget resolution. Guess what? Last year, the Republican majority did not pass a budget resolution so we had no guidepost, no blueprint to tell us how the Congress would spend its money. And does it surprise anyone to know that we went further into debt?

Unfortunately, as we continue to hear our colleagues, our friends on the Republican side say they want to see further tax cuts, what they don't mention is all those tax cuts that they passed in the last several years, the 2001 and 2003 tax cuts that the President proposed, they paid this way.

□ 1745

This is what they did. They took out this credit card. Because every single one of those years we have been in deficit. And after using up the Social Security trust fund dollars, because they had to use the entire amount that was

preserved for Social Security to help pay for the tax cuts, they still were in debt. So, guess what? They had to pull out the credit card, and we have been deficit spending for the last 7 years to pay for these tax cuts that have principally gone not to the middle class but to the folks who are on the highest level of our income scale.

This chart shows what happens, and it goes to the point of the gentleman from Oregon. What happens here is if you continue to extend the Republican tax cuts, you are going to help those that make over \$1 million. The AMT, which the gentleman from Oregon pointed out, is going to hit folks that are making less than \$200,000 or so most, the folks that were not helped by the Bush tax cuts. That is where we want to concentrate our tax cuts, right here, to help middle America.

Mr. DOGGETT. So this balanced budget resolution is a pledge for relief for legitimate middle-class working folks who are out there that have concerns without borrowing to finance more breaks for those over \$1 million.

Mr. BECERRA. Precisely. We are going to provide middle-class Americans with these targeted tax cuts, targeted tax relief; and, as you mentioned before, Mr. DOGGETT, we are also going to be able to balance the budget in 5 years and have a surplus by 2012.

Mr. BLUMENAUER. Mr. Chairman, will the gentleman yield?

Mr. DOGGETT. I yield to the gentleman from Oregon.

Mr. BLUMENAUER. I just think it is important that the American public can listen to politicians debate on the floor of the House, but they also have an opportunity to deal with independent groups.

Mr. DOGGETT. Let me say, I believe this is one of the most impressive, it can't be discounted as a Democratic group, because the gentleman is aware that the Concord Coalition is a bipartisan, nonpartisan group that has a Republican and Democratic co-Chairs. And they have said, again, in black and white, "Thus, to be clear, the budget resolution does not call for or require a tax increase." It just demonstrates this imaginary demon that they have over here, which is about all they can unite around.

Mr. BLUMENAUER. And I appreciate the gentleman's pointing the Concord Coalition that makes it clear that it does not call for or require a tax increase and the type of mindset we are getting from our friends on the other side that they would dismiss former Senator Warren Rudman, Republican from New Hampshire, establishing a left-wing think tank.

Mr. BECERRA. If the gentleman would yield for a moment.

Mr. DOGGETT. I yield to the gentleman from California.

Mr. BECERRA. The real distinction comes here. Our tax cuts will be targeted towards the middle class, not towards the wealthiest. And, at the same time, we have priorities. We are going

to balance this budget. We have committed to our PAYGO policies that we will pay for whatever we propose. But, at the same time, we are going to try to make sure that interest payments on the national debt don't consume everything, because today this is what happens when you do deficit spending.

Mr. DOGGETT. It is really a debt tax.

Mr. BECERRA. This is a debt tax, what happens when you do deficit spending. Deficits do matter. Under the last 7 years of Republican leadership with these tax cuts that have gone principally to very wealthy people, this is what happens. You have interest payments of over one quarter trillion dollars, yet veterans and education programs are suffering. This is what happens when you do deficit spending. You end up spending over a quarter of a trillion dollars to pay interest on the debt. That does nothing to help anyone.

Meanwhile, we have said we are going to focus money on veterans and education. We are not going to do it on interest payments. If you are fiscally responsible, you can do that.

Mr. DOGGETT. That debt tax is a tax that gets imposed on all Americans, and that is a tax that we are eliminating by moving back to a budget surplus.

Mr. BECERRA. It is \$29,000 per person. A child born today is born with a birth tax of \$29,000 he or she will owe.

Mr. DOGGETT. Of course, as the gentleman knows, that also jeopardizes our ability to preserve Social Security when you let that much debt and that much debt tax build up; and that is something else that we address in this resolution. We don't think when you talk about entitlements that just cutting grandma's Social Security check or reducing Medicare is the way to do it. We do need to come together on a bipartisan basis on entitlements. We could well have done that had President Bush not been so intent on privatizing Social Security.

But this resolution is well-rounded. That is why groups like the Concord Coalition have spoken out about it. And it is time now for the Republicans, like every child, to give up their imaginary demons and recognize they have done tremendous damage to our country in recent years. But if we work together on a bipartisan basis, it is possible for us to meet legitimate tax concerns, not increase taxes, and still meet the needs of our veterans and protect Social Security.

Mr. RYAN of Wisconsin. Mr. Chairman, for the purpose of rebuttal, I yield myself 1 minute.

I think we may set a record today on the floor on charts.

But, first, let me say, if you really don't want to raise taxes, if you are telling us that you have these words in your budget that says you don't want to raise taxes, you want middle-class tax relief, then why didn't you put it in your budget?

The fact is, Mr. Chairman, we gave the Democrats ample opportunity to put it in their budget to make sure that these taxes wouldn't increase. We had amendments in the Budget Committee to prevent the increase on the marginal tax rates, to prevent the elimination of the \$1,000 per child tax credit, to prevent the elimination of marriage penalty, cap gains, dividends, State and local tax, bring back the death tax. We had all these votes to say, let's make it clear in the numbers: Don't raise taxes.

What happened? Party line vote after party line vote after party line votes, Democrats voted on every one of these amendments which put in the numbers the prevention of these tax increases.

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California, a member of the House Budget Committee, Mr. LUNGREN.

Mr. DANIEL E. LUNGREN of California. I thank the gentleman for yielding.

Mr. Chairman, I must disappoint you. I have no charts. I was in this body a number of years before and then left and came back; and, frankly, I have never seen such a war of charts as we have on the Budget Committee. They are instructive. But facts really matter.

Dandy Don Meredith, the famous philosopher on Monday Night Football, once said, "If ifs and buts were candy and nuts, then every day would be Christmas day." And that really describes the Democrats' commitment towards not raising taxes. They say it as a matter of policy, but in terms of actually doing it, they not only wouldn't put it in but they resisted every amendment we brought forward.

And they like to talk about, well, let's go back to the last few years; let's see what happened back here and what has happened with the Republicans.

I came to this House in 1979, one of the last times the Democrats had control of the White House, control of the House, control of the Senate, and they were talking about budgets then and they were coming forward with their proposals. And what did we have then? We had something called stagflation. We had inflation raging at 13.5 percent, the prime lending rate was 15.3 percent, the unemployment rate was 7.1 percent. Of course, the top marginal rate was 70 percent. They were resisting tax cuts.

We came in and said it might make sense, when President Reagan came in, to reduce marginal rates, to reduce the impact of taxes on the American people, not only because it was fair to them but because the real genius of our economy is the production of jobs in the private sector.

And I would like to ask them, what do they think would happen if we go back to their same old days, one of the last times we had, for an extended period of time, the Democrats controlling the Senate, the Democrats controlling the House, and what they want to do in

2 years is control the White House as well.

If we move in that direction, we may very well get back to the times of Jimmy Carter when you did all those things, and the worst impact was not on tax rates, was not on inflation, it was on jobs. Jobs. Economists were telling us at that time, following your prescription, that we couldn't have a sustainable rate of unemployment below 6.5 percent. We now have it at 4.5 percent, 4.6 percent. That is the greatest social welfare program we have ever had in this country, jobs to American citizens.

And I understand how you have greater faith in the Federal Government, have greater faith in government at all levels to create jobs than do we, but the facts speak for themselves.

Looking at your particular proposal with the tax increases it has, it would not only affect the wealthy, it would affect in my home State of California 12,839,000 people at an average increase of \$3,331.

Now, you may not want to admit to it, but your increases in spending, your refusal to do anything about the increases in mandatory discretionary spending that are taking place during the lifetime of this budget that you present, and your claim that somehow you don't raise taxes but you magically come up with a balanced budget, it just doesn't add up. It is like that movie, *The Illusionist*. It may sound good, it may look good, but, you know, you go behind the curtain, and there is nothing there.

Now, if you can explain to us how economics would allow you to raise spending, refuse any cuts, refuse to even bring down the rate of spending, and you don't increase taxes but you have a balanced budget, God bless you. Bring your charts out. We would love to see it.

Mr. SPRATT. I yield myself 1 minute.

While the gentleman was on his extended sabbatical back in California, he missed the heyday of our experience here under the Clinton administration and seems not to know that during those years the average job creation was 237,000 jobs per month. By comparison or by contrast, for the Bush administration comparable figures are 68,000 jobs per month.

Now, you can fudge that number by starting to count in August of 2004, claiming that it doesn't apply until then. But if you go back to January of 2001, the average per monthly increase for the Bush administration is 68,000 versus the Clinton administration which was 237,000.

Furthermore, the Clinton administration every year had a better bottom line in the budget. Every year, the deficit got smaller and smaller, to the point where, in 1997, we had a surplus for the first time in 1998 in 30 years; and in 2000 we had a surplus of \$236 billion.

I now yield 1 minute to Mr. DAVIS of Alabama.

Mr. DAVIS of Alabama. Mr. Chairman, I agree with my good friend from California, Mr. DANIEL E. LUNGREN, that facts do matter. And these are the interesting facts, Mr. SPRATT:

While Mr. DANIEL E. LUNGREN was on his sabbatical in California, the two political sides shifted. The old progressive party decided that it believes in fiscal discipline. That is why we have the PAYGO rules. And the previously conservative party is advocating an AMT tax continuation that would bring 26 million families into its purview. Let me put this in perspective.

There is one budget on the floor that, for the period 2008 to 2012, would raise taxes as much as \$2,300 per person on 26 million families. It is not the CBC budget, it is not the Spratt budget, it happens to be the budget of the President of the United States.

So we have switched. The progressives have become the people who want to restrain spending, and our friends on the conservative side no longer care about raising taxes on the middle class.

Mr. DANIEL E. LUNGREN, a number of things have indeed changed.

Mr. SPRATT. I yield 2 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Chairman, the gentlemen on the other side are right, we have charts. Because you can see what is going on with a chart.

We have been lectured by those who have created these red lines. The Democratic plan is the blue line, and this is what has happened in the last 6 years: the red line.

We are being lectured by people who have put us in the ditch. In fact, the Republican policies turned a \$5.5 trillion surplus into approximately a \$3 trillion deficit, deterioration of the budget of about \$8.5 trillion.

Now, the \$500 billion we have spent on the war is about 0.5; \$8.5 trillion deterioration, 0.5 on the war.

Now, they say we have stimulated the economy. This is the change in the Dow Jones Industrial Average: Reagan's first term; Reagan's second term; Bush I's term; Clinton; Clinton, 4 years. In 6 years, the Dow has not increased as much as it had in each of the previous 4 years back through the Reagan administration. So there has been no economic growth.

They brag about job growth. Add them up: Tied for last place since Herbert Hoover.

Now, they keep talking about this 2003 tax cut. You ought to talk about the 2001 tax cut, add up all the jobs through the tax policy: worst since Herbert Hoover.

We can do better than that. We don't want to be lectured by those who put us in the ditch. We need to make sure that we have good economic growth, good tax policy, balance the budget, and go forward.

Mr. RYAN of Wisconsin. At this time I yield myself 20 seconds to say, the gentleman from Virginia who just spoke, Mr. Chairman, according to the numbers in this budget, that State will

have an average household tax increase of \$3,119; and this will hit another 2,958,000 taxpayers in the State of Virginia.

□ 1800

Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. CONAWAY).

Mr. CONAWAY. Mr. Chairman, I thank the ranking member of the committee for yielding.

This budget resolution we are talking about tonight is a target-rich environment for things that we can disagree about that are in there. I have been tasked to talk about the things that aren't in the budget that we wish we would have been able to get in the budget, such as process reform.

Every year that we have this opportunity to do a budget, we have an opportunity to reform our processes and do this budgeting process in a better way. We spent all day last week in the Budget Committee during the hearing to try to get some of that done; and, quite frankly, we failed miserably on our side to convince our colleagues of the value of some of these reforms.

Reforms like strengthening PAYGO to make it really mean PAYGO in the way our folks back home would understand it, to have PAYGO apply to the very first year of this budget. We were unable to get that done.

I offered an amendment that said if you are going to start a new program, a new, great idea in this vast array of programs that we have in our Federal Government, you would have to kill an existing program of equal or greater spending.

Well, in the rarified air of that room that night, I got laughed out of the room. I don't do instant messages, but I think the term "LOL" comes to mind. They were laughing out loud. One Member rolled their eyes the way my 14-year-old daughter used to do about, I guess, how naive I was about this process.

But I can assure you, I can assure you that back in Texas the idea of setting priorities, of trying to decide between good things, what we can afford and what we can't afford, and putting in place a mechanism that helps us with that discipline, does not get laughed out of the room. It is only in Washington that would be a laughing-stock.

We also attempted to do away with the Gephardt rule. I have heard for the first 2 years of my service here night after night after night people decrying the fact that we had hidden in our arcane way of doing business raising the debt ceiling without taking an up-or-down vote, without standing in here and doing it the way we ought to do.

We offered an amendment that would have eliminated the Gephardt rule. A vote for this resolution is a vote for whatever requisite debt ceiling limits are necessary; a separate vote would have been better on that.

We offered up other process reforms that had been offered in the 109th Con-

gress by the Democrats. We brought these to the committee hearing on a word-for-word basis for what they proposed, brought and voted for just last year. Not one of those passed. Every single one of those went down on a party-line vote.

I am here tonight to express my disappointment with the fact that we were not able to gain some process reforms in this resolution. I am disappointed that it is not in the underlying resolution. I will oppose it for that reason and a lot of others. I am here to express my disappointment, and I urge my colleagues to vote against this resolution.

Mr. SPRATT. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Chairman, a budget is a statement of priorities. What this budget states clearly is that our Federal Government's first priority must be to defend our Nation from terrorists and foreign enemies. We begin by fully funding the administration's 2008 request for national defense and our military, \$5.3 billion, and that is just the first step.

Next, we invest more than the administration had proposed to defend our homeland against terrorism. For example, this budget funds the implementation of the 9/11 Commission recommendations, such as increasing screening of cargo on passenger aircraft. We do more to scan shipping containers destined for the United States while those containers are still in foreign seaports. Why? Because we must stop nuclear terrorists long before their weapons reach U.S. shores.

This resolution says "no" to the administration's ill-advised proposals to cut funding for first responders. Why? Because our police, firefighters and EMS personnel must be well trained to respond to terrorist attacks and natural disasters.

On national defense, this budget states loudly and clearly that a strong national defense begins with supporting our troops and our veterans and their families. This bill includes the largest increase in funding for veterans' health care in the 77-year history of the Veterans Administration, and our service men and women, Mr. Chairman, and our veterans have earned every dollar of this funding with their service and sacrifice.

This means better health care for those with traumatic brain injury and post traumatic stress disorder, and better health care for over 5 million of America's veterans. It means shorter waiting lines for those who have earned their benefits through service-connected combat injuries. And in the aftermath of the Walter Reed Annex 18 tragedy, we say in this resolution that no soldier, no veteran should ever again have to endure the indignity of living in moldy, rat-infested housing. Never.

A vote against this budget is a vote against the largest increase ever in veterans' health care funding.

We also reject the administration's proposal to put in effect a \$1,400 annual tax on our military retirees by raising their TRICARE health care premiums. It is interesting, the administration didn't ask members of the President's cabinet or Members of Congress to raise our health care premiums by \$1,400 this year, and yet it would do so to men and women who served in the military for 20 to 30 years. That's wrong, and this budget resolution rights that wrong.

This budget provides for a strong national defense. It improves our homeland security against terrorism, and it supports our military forces and veterans with our deeds, not just our words. Our troops, our veterans, and our Nation's defense deserve a "yes" vote on this bill.

Mr. Chairman, I yield to the gentleman from Missouri (Mr. SKELTON), the chairman of the Committee on Armed Services.

Mr. SKELTON. Mr. Chairman, I thank my friend from Texas for giving me this opportunity to speak so I can applaud my friend, John Spratt, the gentleman from South Carolina, for bringing to this House floor a fiscally responsible budget, particularly as it relates to defense. It is an excellent budget.

The fiscal year 2008 budget resolution provides the same level of funding for national defense as was requested by the President. It provides for \$507 billion for national defense and another \$145 billion for overseas deployments, numbers consistent with the CBO's estimates of the President's budget.

The budget resolution includes proposals that would reorient the national defense priorities, including more funding for CTR and nonproliferation programs, which I think are very important, and greater assistance for wounded veterans, including fixing the problems at Walter Reed. This is serious.

Earlier today we passed legislation that was the first step in fixing the challenges at Walter Reed Hospital, and this budget resolution gives us greater assistance in doing just that, and we will be able to do that in the Armed Services Committee.

The budget resolution also calls for a significant increase in funding for veterans' health, and I fully support this proposal which falls within the jurisdiction of the Veterans' Affairs Committee. I urge my colleagues to support this bill.

Budget resolutions are difficult at best. But if you look at it through the eyes of the Committee on Armed Services and if you look at it through the eyes of national security, this is an excellent approach. It gives us the opportunity to work our will within the committee, to make things even better, particularly for the young men and women in uniform. They are our national treasures, and this budget resolution gives us the opportunity to do something positive about that.

Again, I thank my friend from Texas.

Mr. EDWARDS. I thank the chairman for his remarks.

Mr. Chairman, at this time, I yield to the gentlewoman from Oregon (Ms. HOOLEY) who has been a strong advocate and a national leader on veterans' affairs issues.

Ms. HOOLEY. I thank my friend from Texas for yielding, and I thank the chairman of the Budget Committee for the fabulous job he did.

I rise today to speak on the budget, a budget I am very proud of. This budget keeps our promise to our veterans, gives us the tools to defend our country, grows our economy, provides American children health care, and much more. All of it is done in a fiscally responsible way, ensuring a balanced budget by 2012, and all the while not raising taxes.

This budget before us sets priorities and ensures that a promise made to our brave veterans will truly be a promise kept. Too often over the last 6 years we failed to meet our basic obligation to our veterans. American veterans who served with honor and distinction deserve better. This budget is a step towards making sure our veterans get what they have earned.

We also have to remember that today's soldiers are tomorrow's veterans. At a time when we are asking our men and women in uniform to sacrifice so much, it is inexcusable not to honor their service by providing the benefits and health care our veterans were promised.

This budget, Mr. Chairman, puts us back on track. I am proud to say that the \$5.4 billion increase in funding for veterans is a record 18 percent increase.

We are sending a strong statement to our veterans and service men and women of today that we as a Nation will not forget their sacrifices. I have three letters that I would like to submit for the RECORD, and I would like to quote from them.

First of all, Veterans of Foreign Wars, Gary Kurpius, Commander-in-Chief, says: "We have long argued that the price of health care and benefits for this Nation's veterans are the ongoing costs of war. The \$3.5 billion increase above the President's request is a strong acknowledgment that you agree and that this Nation must do more to live up to its sacred obligation to those who have defended her. The costs of war are not just about buying bombs or tanks, but about providing for our sick and disabled when they return and helping those heroes care for families and independents. The members of the VFW stand firmly behind you."

From the Disabled American Veterans, National Commander Bradley Barton says: "The budget recommendations that came out of the House and Senate Budget Committee will make a real difference in the lives of America's sick and disabled veterans. This is especially important as our Nation is at war."

And finally, from Steve Robertson, director, National Legislative Commis-

sion of the American Legion says: "The American Legion and its 2.8 million members applaud the Budget Committee. As a Nation at war, this funding will help cover the ongoing cost of war to care for the men and women of the United States Armed Forces and their families."

I support this budget. I support our veterans. This is a good budget. Again, I want to remind people, it does not raise taxes. But if you want to support our veterans, you should vote for this budget.

MARCH 21, 2007.

Hon. JOHN SPRATT,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR CHAIRMAN SPRATT: On behalf of the 2.4 million men and women of the Veterans of Foreign Wars of the U.S. (VFW), and our Auxiliaries, I would like to offer our gratitude for the leadership you have demonstrated on veterans' issues through your dramatic increase above and beyond the President's request for fiscal year 2008 funding for the Department of Veterans Affairs (VA).

We have long argued at the price of health care and benefits for this Nation's veterans are the ongoing costs of war. The \$3.5 billion increase above the President's request is a strong acknowledgement that you agree and that this Nation must do more to live up to its sacred obligations to those who have defended her. The costs of war are not just about buying bombs or tanks, but about providing for our sick and disabled when they return, and helping these heroes care for their families and dependents.

The dramatic increase in this budget recommendation will help to ensure that all veterans—those from Operations Enduring and Iraqi Freedom and those from all our previous conflicts—have access to the high-quality health care VA provides, and quicker resolution to their veterans' disability compensation decisions.

The members of the VFW stand firmly behind you, in support of your strong advocacy for this Nation's veterans. We thank you for your strong leadership on veterans' health care and benefits, and we look forward to working with you to ensure the success of this budget.

Sincerely,

GARY KURPIUS,
Commander-in-Chief.

HOUSE, SENATE BUDGET PLANS KEEP FAITH WITH VETERANS

WASHINGTON.—The Disabled American Veterans (DAV) is urging lawmakers to support a recommended \$6.6 billion increase in funding for veterans health care and other programs as called for in 2008 budget blueprints being debated in the House and Senate.

"The budget recommendations that came out of the House and Senate Budget Committees will make a real difference in the lives of America's sick and disabled veterans," said DAV National Commander Bradley S. Barton. "This is especially important as our nation is at war."

Both budget resolutions reported out of committee call for \$43.1 billion in discretionary spending for the Department of Veterans Affairs, the bulk of which is for veterans health care. That is \$6.6 billion above the fiscal 2007 enacted level and \$3.5 billion above the President's request. The congressional budget blueprints do not include user fees and higher prescription co-payments contained in the President's plan.

Commander Barton praised Senate Budget Committee Chairman Kent Conrad (D-N.D.)

and House Budget Committee Chairman John Spratt (D-N.C.) for their support of discretionary funding levels in line with recommendations in The Independent Budget authored by the DAV and other veterans service organizations. "This much-needed funding increase will allow the Department of Veterans Affairs to better meet the needs of the men and women returning from Iraq and Afghanistan, as well as all veterans who have served in the past," he said.

While the draft budget resolutions call for significant increases in spending for veterans programs in fiscal year 2008, the DAV is concerned about future projected funding levels. "Funding must keep pace with rising health care costs and an expected increase in veterans seeking services from the VA," Barton said. "The DAV will continue working with Congress to ensure that future budgets meet the needs of our nation's sick and disabled veterans."

The 1.3 million-member Disabled American Veterans, a non-profit organization founded in 1920 and chartered by the U.S. Congress in 1932, represents this nation's disabled veterans. It is dedicated to a single purpose: building better lives for our nation's disabled veterans and their families. For more information, visit the organization's Web site www.dav.org.

MARCH 21, 2007.

Hon. JOHN M. SPRATT, Jr.,
Chairman, Committee on Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The American Legion and its 2.8 million members applaud the Budget Committee for the Budget Resolution recommendation for \$43.1 billion in discretionary funding for Veterans (Function 700). This represents an increase of \$3.5 billion above the President's budget request for FY 2008 and \$6.6 billion above current funding level for the Department of Veterans Affairs.

As a nation at war, this funding will help cover the ongoing cost of war to care for the men and women of the United States Armed Forces and their families. Your recommendations closely parallel the views and estimates submitted by The American Legion earlier this year.

The American Legion urges the Congress to provide the Department of Veterans Affairs with sufficient funding to meet the needs of taking care of America's service members—past, present, and future. We look forward to working with you and your congressional colleagues in ensuring the Department of Veterans Affairs remains a solid agency that meets this nation's obligation to those men and women sent into harm's way.

Sincerely,

STEVE ROBERTSON,
Director,
National Legislative Commission.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 1 minute.

The gentlewoman from Oregon who just spoke, the tax increase in this budget would hit the average Oregon household with an annual tax increase of \$2,751 which would affect 1,336,000 taxpayers in that State alone.

I would like to take a moment to compliment my colleagues on the other side on the veterans' portion of the budget. They do add more resources for veterans, to veterans' health care. They do meet the President's numbers on defense. This is a part of their budget that I would like to compliment them on. We, too, in our substitute, will add additional resources to veterans and veterans'

health care. This is an area where I think they have made some improvements over the President's budget in their budget.

Mr. Chairman, I yield 3½ minutes to the gentleman from Alabama (Mr. BONNER).

Mr. BONNER. Mr. Chairman, I thank the distinguished gentleman from Wisconsin, our ranking member.

Either our friends on the other side of the aisle have a bad case of amnesia, or their selective memory is such that they need to check themselves into the House physician's office.

The Democratic majority likes to claim that when President Bush came into office, we had a budget surplus, which we did. But because of those evil tax cuts, which let the record also show that many of our Democratic colleagues actually voted for, and some even still profess to support, that because of these dastardly tax cuts, all of the problems we are facing now are because of George Bush and the Republican Congress.

□ 1815

Mr. Chairman, our Democratic colleagues either have forgotten or they fail to acknowledge the fact that when President Bush came into office in January of 2001, he was walking into a recession left courtesy of the outgoing Clinton administration. A few months later, the dot-com bust and the corporate scandal made matters worse. And then remember September 11, 2001, and the ensuing costs associated with responding to the worst terrorist attack in American history and the additional costs associated with fighting the global war on terror.

I mention this, Mr. Chairman, because this budget is step one in the Democratic majority's plan to dismantle the tax policies that Republicans have put in place these past few years, policies that have actually worked, and replace it with the single largest tax increase in American history.

Do not take my word for it, Mr. Chairman. Consider the following: During the past 45 months the tax relief was enacted, 7.6 million new jobs have been created, an average of 168,000 per month; contrast that with the 27 months prior to the tax relief, where we lost 2.7 million jobs.

During the past 15 quarters since the tax relief was enacted, real GDP growth has averaged a robust 3.5 percent, faster than the averages of the 1970s, 1980s and 1990s. In the nine quarters prior to the tax relief, actual GDP growth was just 1.1 percent.

Since the enactment of the tax relief, unemployment has fallen from 6.1 percent in June of 2003 to a near 5-year low of 4.5 percent. This is below the averages of the 1970s, 1980s and 1990s.

My friends in Alabama know a good economy when they see one. Our unemployment rate under the leadership of Republican Governor Bob Riley is just 3.3 percent, the lowest since we became a State in 1819.

Mr. Chairman, no one on our side is saying that we can continue the great economy or that everyone who has a job has the job they hope to retire from.

One thing is for certain. The Democratic majority had 32 opportunities last week in committee to vote on amendments that would have made these tax cuts permanent, 32 opportunities where they had an opportunity to vote for it, put it in writing, make it acceptable to the American people; and all 32 times they voted it down on a party-line vote.

Mr. Chairman, I do not have a chart. I have a picture of America's children. These tax increases are going to result in Alabama alone of an increase of \$2,500 for the average working, tax-paying family. That means no braces, no college education fund, no family vacation. That is what this budget is about, our children.

And I thank the gentleman.

Mr. RYAN of Wisconsin. Mr. Chairman, I will take a little time on our side to try and catch up. I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Chairman, I thank the gentleman from Wisconsin for yielding the time.

I find this such an interesting debate every year, Mr. Chairman. You know, as we come down here and debate the budget every year, we do talk about the budget, and it should be a reflection of the priorities of the people of this Nation. And what we see in the budget document that is before us is the priorities of the bureaucracy reflected. Because what we see is a budget document that is going to make spending permanent and tax reductions temporary.

Now, one of the things that we all know is that is not what the American people voted for. That is not what they wanted. They did not want to grow spending. They did not want to increase what the Federal Government spent. They did not want to increase the Federal Government's reach into their lives. What they wanted to do was to see that size reduced. But we do have a budget before us that is going to raise taxes \$392.5 billion over 5 years.

Now, the last time the Democrats were in control in 1993, 1994, they passed what was then the largest tax increase in history, about \$240 billion over 5 years; and this year it did not take them but about 3 months to come back and decide they were going to get it while they could.

You know, it is baseball season. They were going for a home run. They have earned the moniker of the hold-on-to-your-wallet Congress because America, yes, indeed, can be sure they are coming to a pocket near them as quick as they can get there for a wallet; and they are going to take \$2,600 out of every wallet of every one of my constituents in Tennessee, \$2,600.

And to add insult to injury, our sales tax deductibility, which was restored

in 2003 because we do not have an income tax in Tennessee, thank goodness, we just have a sales tax, that is being taken away in this bill, \$1,100 per family, \$2,600 total. It is a tax increase.

Mr. SPRATT. Mr. Chairman, I yield 20 minutes to the gentleman from Kansas (Mr. MOORE) with the request that he be allowed to yield part of the time that is allotted to him to other Members.

Mr. RYAN of Wisconsin. Mr. Chairman, if I may just interject, may I just inquire as to how much time is on each side remaining?

The Acting CHAIRMAN (Mr. LYNCH). The gentleman from Wisconsin (Mr. RYAN) has 63 minutes remaining, and the gentleman from South Carolina (Mr. SPRATT) has 56½ minutes remaining before yielding to the gentleman from Kansas.

Mr. RYAN of Wisconsin. I thank the Chair.

The Acting CHAIRMAN. On the question of yielding control of time, the Chair would advise that the Committee of the Whole may not, even by unanimous consent, alter the scheme for control of time for general debate that was established by the House in House Resolution 275. The gentleman from South Carolina controls the time.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE of Kansas. Mr. Chairman, today with this budget resolution the majority party, the Democratic Party, takes an important step towards restoring fiscal discipline as a priority of our government, something the Blue Dogs in Congress have advocated for years.

When the administration took office in 2001, it inherited a projected surplus of \$5.6 trillion. Within 2 years, the surplus was gone; and, since 2001, \$3 trillion in new debt, to my friends here, \$3 trillion in new debt was added to our country's bottom line.

Because of the previous majority's lack of fiscal discipline, our gross national debt now stands at over \$8.8 trillion. They talk about tax cuts, and they are just not providing accurate information at all. It is not true information.

They say that our budget proposes tax increases, which simply is not true. They wrote the tax cuts back in 2001 that were implemented in 2001, and they were to last for 10 years, and they still will be going until 2010. The Democrats are not doing a thing in their budget to raise taxes, not one single thing, to the contrary of what our friends across the aisle are saying.

In fact, our friends across the aisle have added \$3 trillion of debt to our country, to our children and grandchildren. That is the way you paid for the tax cuts, was by adding \$3 trillion of debt.

Mr. SPRATT. Mr. Chairman, on behalf of Mr. MOORE, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding.

This is a very healthy debate taking place. I so appreciate the budget that has been brought out of the Budget Committee, and I appreciate the ranking member for offering a budget. Because, in offering a budget, now the contrast is clear.

Pay-as-you-go is the fundamental foundation of fiscally disciplined budgeting, because it means you have made a decision the deficit goes no deeper. We have heard about the soaring deficits, the astonishing turnaround from a surplus to nearly \$3 trillion of deficit spending during the years of Republican control, now yielding us a national debt approaching \$9 trillion.

I was pleased to see a picture of children raised by a Member of the other side, because I think that is exactly what it is about. We cannot continue to raise this debt on the children, and that is why pay-as-you-go budgeting was passed in the first 100 hours of this new Congress included in this budget.

Now, the alternative budget, they take a little different view. They say pay-as-you-go does not apply if you are going to cut taxes; you do not have to pay for cutting taxes. In fact, they cut taxes \$470 billion without any pay-fors, just cut taxes.

Can you imagine a family sitting down saying, man, we have got to tighten our budget, we have got to cut this, we have got to cut that, we have got to this, we have got to cut that. This is so depressing that I am going to quit working full time. I am going to work half time.

It would not make any sense. You have got to count the revenue side; you have got to cut the spending side. That is our plan.

But that is not the end of the Ryan budget and what it means in terms of overall budget picture, because they do have cuts. This is an important final point to make. It reminds me a little bit of the budget policies we debated in the 1990s, where they wanted to cut the heck out of Medicare in order to fund tax cuts disproportionately flowing to the wealthiest people of this country.

In this budget you have a directive to the Ways and Means and the Energy and Commerce Committees to cut \$250 billion. We know where those cuts are coming from. I am on the Ways and Means Committee. That is the Medicare committee. They are coming right back after Medicare again, taking dollars from the seniors' health care in this country in order to fund these tax cuts for the wealthiest people, to the extent they are funded at all.

Here is a chart illustrating the distribution on their tax cuts. This is for those over \$1 million. This has been the most regressive series of tax cuts ever enacted in this country. We know the benefit has gone all to the rich, predominantly to the rich, disproportionately to the rich.

To think that they fund it out of cutting Medicare, while driving the debt

deeper, shows the budget choice. Fiscal discipline, balanced budget by 2012; cutting Medicare, deeper deficits. Go for the Spratt budget.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Chairman, thank you very much.

The Republicans are plain wrong; and, worse than that, they are not telling the truth when they stand over there and say that our budget raises taxes. Nothing could be further from the truth.

This Democratic budget does not raise taxes one single penny. In fact, section 203 of the Democratic budget explicitly provides for tax cuts.

One, middle-income tax cuts, including the marriage penalty. That is in this budget. That is a tax cut. Including child tax credits. That is in this budget. That is a tax cut. And the 10 percent tax bracket. And on top of that, you talk about the President's tax cuts, the President's tax cuts in 2001—

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The gentleman will suspend. The gentleman must direct his remarks to the Chair and not directly to other Members. The gentleman may proceed.

Mr. SCOTT of Georgia. Well, Mr. Chairman, my point was simply to try to respond to the accusations that were made to our side. I will respect that.

But my point, if I may continue, is that it really gets on your nerves a bit when the other side makes these accusations which are totally bald-faced wrong. When it says, for example, the previous speaker said, for example, that we did not support the President's tax cuts. Not only did we, as they said, on the Democratic side, some of us did, but we have very seriously kept, the tax cuts of the President from 2001 and 2003 are secured in this budget. That is a fact. And they are consistent with our House pay-as-you-go rule.

The alternative minimum tax, which otherwise would hit tens of millions of families, these families are protected in this.

And the area where it presses us so and in previous budgets, the President's previous budgets have cut veterans. We increase the funding for veterans by over \$2 billion in this budget.

It is a good budget.

□ 1830

Mr. SPRATT. Mr. Chairman, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 1½ minutes.

I would simply say the gentleman from North Dakota represents a State that pays a lot of capital gains tax and farm income, death taxes. Under this bill, the average household of North Dakota will see a tax increase annually of \$2,613, which had 244,000 taxpayers. In the State of Georgia, the gentleman just spoke, that State will see an average household tax increase per year of

\$2,743, which will hit 3,132,000 taxpayers.

If this budget doesn't raise taxes, then why is it that the Democrats shot down every single amendment that was offered to prevent all of these tax increases?

If you really believe it doesn't raise taxes, then why would you prevent us from adjusting the numbers to make sure it didn't raise taxes? You can read any word you want.

You can read any word you want of these so-called reserve funds. At the end of each of these reserve funds, it says, well, we got to come up with off-sets to pay for these priorities. We don't want to raise these taxes. We want to extend the child tax credit, but they are not paid for. Actions are louder than words.

More importantly, numbers are louder than words.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (Mr. LYNCH). The gentleman will suspend. The gentleman would please direct his remarks to the Chair.

Mr. RYAN of Wisconsin. Mr. Chairman, the numbers are very, very clear. The numbers, equivocally, have the largest tax increase in the American history.

Mr. Chairman, I yield 2½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Chairman, this budget does include \$392 million in increased taxes. Unfortunately, this Democrat tax increase plan affects all Americans. Those increases would hit middle income families, low-income earners families with small children, business, just to name a few.

Now, we have heard here tonight from our friends on the other side of the aisle that they don't want to raise taxes in this budget and that this budget doesn't raise taxes. Mr. Chairman, there is a problem, that the votes here in this body are recorded, they are actually recorded, just last week, not last year, not last century, just last week.

I know memory sometimes fails, but last week, when we marked up this budget, the Republicans offered several amendments making sure that the taxes did not go up. Not a single Democrat in that committee voted for those amendments.

So here they come, on this floor tonight, and say that they do not raise taxes, but last week they voted against an amendment extending the \$1,000 per child tax credit. They say, tonight, on this floor, that this budget does not raise taxes, but voted against an amendment last week on this budget that would have extended the marriage penalty tax relief. They say tonight on this floor that they do not want to raise taxes and this budget does not raise taxes, but just a few days ago, they voted against extending the elimination of death tax and even voted against extending the State and local tax deduction.

That is on the record. You see, you can say a lot of things, but votes are recorded.

Ladies and gentlemen, don't take my word for it, don't take theirs. Go on the Internet. Look at the votes. They voted to extend, they voted against those amendments which would have kept the taxes low.

What does that mean for every American family? For example, a middle income family of four earning \$60,000 will see an increase of 61 percent to their tax bill in 2011.

But wait, there is a lot more. But wait, like the TV commercial says, but, wait, there is more, 150 million taxpayers would see their taxes increase, on average, of \$1,795 by 2011. In the State of Florida alone, there are over 7.6 million taxpayers. I hate to break the news, there aren't 7.6 million rich people in Florida. Over 7.6 million taxpayers in my home State of Florida will see their taxes increase by an average of \$3,036.

Mr. Chairman, this is the largest tax increase in the history of this country.

Mr. RYAN of Wisconsin. Mr. Chairman, at this time I yield myself 1 minute just to read some clarifying language, which is in the Democrats' budget.

At the end of these reserve funds, so called, for middle income taxpayers, it says we want to provide this tax relief, but only to the extent that such bills or joint resolutions in the form placed before the House in the Committee on Rules would not increase the deficit or decrease the surplus for fiscal years 2007 through 2012.

Then, in section 401, where they talk about these tax extensions as a statement of their policy preferences, they assume that the cost of such a policy is offset. What does that mean? That means they are not covering the tax cuts. That means if you want to extend these tax cuts, they would have to pay for them on top of raising these taxes.

What this budget resolution also does, if you simply merely want to extend this tax relief, that is past 2010, you would have to come up with more tax increases to do so. This prohibits the ability of Congress to simply extend this tax relief, thereby bringing these tax increases to a curve.

Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. I thank the gentleman for yielding.

Mr. Chairman, our friends on the other side have complained that I guess we Republicans don't know what fiscal mismanagement is. What does it mean? I guess our Democrats, by their actions this year, especially looking at this budget, I think that fiscal mismanagement means that we are not spending enough. Apparently, if the Republicans had spent more money on everything, including everything in this budget, everything would be perfect, but we certainly know that is not the case. The Democrats seem to think that the IRS

tax collectors just need to bring in more money.

But let me tell you exactly what has happened. Collections over the past year are up \$2.5 trillion. That figure keeps going up every year. We are collecting more tax revenue, as a share of the economy, more than the average over the past 40 years.

So I guess they are telling me it is not enough. According to the Democrats, there is still too much uncollected tax revenue out there. So their budget, like the budget in the Senate that was produced last week, calls for the IRS to make up the difference trying to close this magical tax gap. I am sure somebody will tell me exactly what this magical tax gap is some time tonight.

In short, this Democrat budget has found that the Federal Government budget is almost perfect. I guess all we need to do is spend more money. Clearly, my colleagues and I have a different approach. Number 1, we think prosperity and economic growth mainly comes from economic investors and workers, not the Federal Government. We think creative ideas, the ones that lead to progress and higher standards of living come from thinking outside the box, not inside the box, because that is government.

I guess last of all, we believe, as President Reagan said in his first inaugural address, we are a Nation that has a government, not the other way around. We believe these things, because we believe the government should limit its taxing and spending, ease the burden on the economy, and let it grow.

Judging by this budget, the Democrats, they don't see that. They think government should call the shots and keep widening its control.

For that reason, this budget trusts the government more than the people that are paying the tax bills. We believe this budget is fundamentally a failure.

If you want to bring it home, in South Carolina terms, so I can let the folks in South Carolina know, this is about a \$2,500 tax increase for my average South Carolinian home, \$2,500. We believe in freedom. With freedom comes less government, and that is a good thing.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 3 minutes to a distinguished member of the Budget Committee, a member who has great financial expertise, the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL of California. Mr. Chairman, you know, I am a little stunned by this debate tonight, by what's being said by the other side. I am hearing a lot of stuff about how this budget balances the budget, but also about how it doesn't raise taxes. The gentleman from Georgia said, and I believe I wrote it down correctly, that it "does not raise taxes one single penny."

Well, this budget either doesn't raise taxes, or it doesn't balance the budget. But it absolutely mathematically cannot do both. It will not and cannot mathematically do both.

This budget includes every penny of tax increases, in the dollars, in the revenue dollars, every penny, which will tax my constituents and the people of California \$3,331 each per taxpayer per year. Now, your numbers, the numbers of their budget, includes every bit of cutting the child care tax credit, eliminating the marriage penalty deduction, raising rates at every income bracket, raising the capital gains tax, raising the dividends tax, raising the death tax, raising all of those taxes. Every penny of that is included.

That is how their budget balances. Without it, it doesn't balance. Without it, it has a deficit in the fifth year of somewhere close to \$100 billion, which is just a little less than the deficit that we have now.

Now, we didn't write this budget. This is their budget. I will give them the benefit of the doubt, and, presume, that perhaps they would like to have a budget that doesn't raise taxes, or perhaps they would like to have a budget that balances.

But they have increased spending in this budget, which is the reason we have the deficit today. It is not because taxes are too low, it is because spending is too high.

So, I would say to my friends on the other side of the aisle, choose. You are either raising taxes, or you are not balancing the budget, but you mathematically cannot do both. It is your budget, it is your decision. You tell us which one you are going to do.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The gentleman will suspend. The gentleman will direct his remarks to the Chair, please.

Mr. CAMPBELL of California. Mr. Chairman, they should tell the American people which one they are going to do, because they either are increasing taxes or not balancing the budget. They mathematically cannot do both.

Mr. Chairman, the budget, the way it is written, is, absolutely is, and assumes every penny of the largest tax increase in American history, and that is something the people of this country cannot afford.

Mr. SPRATT. Mr. Chairman, before yielding to the gentleman from New Jersey (Mr. ANDREWS) let me just say once again that this budget resolution leaves in place all of the tax cuts implemented in 2001 and 2003. Had we wished, we could have repealed those tax cuts. It leaves them in place in 2007, 2008, 2009 and 2010. The year 2010, December 31, those tax cuts expire their provisions, because they were written and designed to expire by the other side, by the Republicans. That is what happened to them.

This present resolution does not trigger their re-elimination, it doesn't trigger their determination. It doesn't

decide either way. By its open volition, by its own terms, these tax cuts will expire on that very day unless they are renewed.

For the purpose of renewal at that point in time, 2010, 2011 and 2012, we will have a surplus of \$450 billion, and those surpluses, over time, according to our projection, according to this budget resolution, will build to \$1 trillion. If we so choose then, depending on the situation, we can so choose, then, to apply these to all or some of the renewable tax cuts. But that decision can be reached and made then better than it can be now. In the meantime, the tax cuts stand for the next 4 years.

Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Chairman, just to save my good friend from Wisconsin the time, I represent a State where 7.5 million people will not see the repeal to their marriage penalty relief, a State where 7.5 million people will not see capital gains rates go back up under this budget, where 7.5 million people will not lose their child care tax credit, et cetera. Here is what these budgets say about taxes.

In 2007, 2008, 2009, 2010, the present law remains in effect. There is no tax cut that was enacted that is modified, limited or repealed.

□ 1845

On December 31 of 2010, whomever is in control of this Congress will have a choice to make, and that choice will be which, if any or all, of the tax cuts should be extended beyond their expiration date.

Here is the difference between our budget and the President's Republican approach. We say that we should think first, analyze first, and then make the right choice. We say that when we get to December 31 of 2010, let's look at what surplus may exist. If Mr. SPRATT's budget is adopted, the budget will be in surplus of \$154 billion by fiscal year 2012.

We say, let's look at the revenues that come in. Our budget, of course, is based upon the CBO's more pragmatic and conservative revenue estimates.

The President's budget, Mr. Chairman, is based upon more optimistic revenue assumptions. We hope that he is right. We hope that the optimistic revenue assumptions are correct, and there will be an even greater surplus at that point in time.

Our budget contains significant investments in closing the tax gap, in going after the tens of billions, if not hundreds of billions, of dollars that are owed under present law but not collected. And we say, let's see how we do in collecting some of those funds. Let's look at the Nation's priorities, and then let's make an intelligent choice about what to do.

The President and the Republican Party have fallen back into the same old rut of saying, when we get to December 31 of 2010, let's do what we have

done throughout our period of primacy and majority. Let's borrow more money. That is how we got into the mess that we inherited when we took this majority in January.

We believe that this budget should not borrow money from the Social Security trust fund and from foreign governments like the People's Republic of China to meet our obligations. We believe we should pay as we go, whether it is adding a dollar for the Children's Health Insurance Program, or reducing a dollar in taxes paid by the people of the country.

We believe that the right choice and the first choice and the dominant choice is to stop running this country on borrowed money from the Social Security trust fund, from the Chinese and from others.

So when my friend from Wisconsin read from our resolution, I thank and commend him, because that is exactly what we stand for. When we get to December 31 of 2010 and the question about which tax cuts to renew should be taken up by this Congress, if we are the majority at that time, we will make a wise choice based upon what the surplus is, what the economy looks like and what our options are. But we will not borrow the money from the Social Security trust fund and from other creditors around the world.

We have tried that under them for the last 6 years. It is a recipe for disaster. It is a recipe for a cataclysm in the next decade when Social Security and Medicare come due in a very, very large way. So our principle is not to increase this deficit and to build a surplus, and we stand by it.

Mr. SPRATT. Mr. Chairman, I now yield 3 minutes to the gentlelady from Ohio (Ms. KAPTUR).

Ms. KAPTUR. I would like to deeply thank, Mr. Chairman, the chairman of our Budget Committee, the very able and distinguished gentleman from South Carolina, JOHN SPRATT, who has led our committee to produce a budget that will balance in the next 5 years with no tax increase. It is going to take pay-as-you-go and it is going to take a real regimen to correct America's net negative savings rate.

Certainly, the Bush administration has done much damage in the last 6 years by making a mess of fiscal policy, just as it has made a mess of foreign policy; and now we have got these overhanging budget deficits and trade deficits. For, in fact, in 2001, the administration inherited a projected 10-year surplus of nearly \$6 trillion; and within 2 years alone the surplus had been eliminated and we began piling up debt, adding \$2.8 trillion over 6 years, much of it purchased by foreign investors, which I will talk about here in just a second.

I want to thank Chairman SPRATT for doing what is right for America. Many organizations, like the Concord Coalition, states, "Thus, to be clear, the Democratic budget resolution does not call for nor require a tax increase."

The Center on Budget and Policy Priorities said this month as well, "The House Democratic plan does not include a tax increase."

And the Hamilton Project at the Brookings Institution of this month also says, "The Democratic budget would not raise taxes."

I think that those on the other side of the aisle doth protest too much, because, in fact, you didn't produce this kind of budget. Now, you might be well intentioned. I used to think Republicans balanced budgets. I have since learned differently after serving here in this Congress.

I want to talk about what is so dangerous about the debt that the Republicans and the Bush administration have accrued. If you look at who is footing the bill, it is foreign countries, Japan, the oil-producing and exporting nations, China. In fact, China now holds over \$1 trillion in U.S. dollar reserves, and they are looking to diversify away from the Dow. And if you look at what is happening to the price of gold, it is skyrocketing as the U.S. dollar's worth is dropping.

Our accounts are badly out of order. This budget maintains in the reserve account all of the tax breaks that were given to the American people, the extension of the child tax credit, the marriage penalty relief, extension of the research and air experimentation tax credit, extension of the deduction for State and local sales taxes, school construction bonds and so forth.

So even with the incredible drag of the Iraq war on our Federal budget and our Nation's economy, this Democratic budget that Chairman SPRATT and members of our committee have produced does achieve balance within 5 years. It is rigorous, it will make the Nation more healthy, and I just want to commend him for taking a most difficult challenge and doing what is right for the American people, for our children and grandchildren.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy.

I was just taken aback when I heard one of our colleagues on the other side of the aisle, I think from South Carolina, talk about the concern they have about being, that they weren't big spenders enough. Well, what we have seen under Republican control, where they had the executive and both branches, the spending has skyrocketed. In fact, we saw essays from Republican conservative pundits saying that probably they should have lost in the last election because they have lost control of the budget process. The greatest increase since the Great Society.

I think it is important to go back and look at their record. When they had complete control, spending was out of control, and the most conservative pundits said so. The facts reveal it. They may try and run away from their

record at this point by attacking a balanced budget, pay-as-you-go, and focus on priorities that the American public supports, but their record does not support the assertion.

Mr. SPRATT. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Speaker, we have just heard from the other side about what we are doing. And based upon what they are doing, it is very important for us to set the record straight, that they have had control of this place; and for the last 5 years, since 2001, under this Congress and this administration, they have borrowed more money just from foreign governments alone, from foreign nations, more money than all of the previous 42 Presidents and administrations.

And I know that is shocking to the American people. But it is important. That alone is a glaring example of the outright mismanagement and the lack of fiscal responsibility that they put us in debt to that tune.

Again, since 1789, the foundation of this country, all the way up to 2001, they borrowed more money in the last 5 years, \$1.6 trillion. We only borrowed \$1.3 trillion from 1789 from foreign countries to 2001. That is why we have to move with a responsible measure like this.

On top of that, Mr. Chairman, finally, I want to say that, in addition to borrowing that money, they inherited a surplus of \$5.6 trillion that was squandered in addition to the debt that was acquired.

Mr. RYAN of Wisconsin. At this time, Mr. Chairman, I would like to yield 3½ minutes to the chairman of the RSC, a distinguished member of House Budget Committee, Mr. HENSARLING from Texas.

Mr. HENSARLING. I hope that the American people, Mr. Chairman, are paying very careful attention to this budget debate. The budget is really about priorities. We have heard about the priorities of the Democratic budget, and that is, let's increase the Federal budget at the expense of the family budget. I can hardly believe what I am hearing with respect to taxes. We know that, having been in power fewer than 90 days, the Democrats have now proposed the single largest tax increase in American history, almost \$400 billion of new taxes on the American people.

Well, guess what? Last time they were in the majority, Mr. Chairman, they proposed the single biggest tax increase in American history. I suppose there is something to be said for consistency.

Now, I have heard from our distinguished chairman, and I have the utmost respect for him, and others that there is really not a tax increase. We just have expiring tax provisions.

Well, Mr. Chairman, when people all over America all of a sudden look at their tax bill and see how much they are going to have to pay, I think that

is going to be a distinction that is lost on them. Either you are paying more in taxes or you are not.

And I might point out, Mr. Chairman, that all the members, all the Democratic members of the Budget Committee had the opportunity to make sure that the tax relief for American families was permanent, that we extended it. But, instead, they voted against it. They will have another opportunity tomorrow. So there is the old saying that your actions are so loud that I can hardly hear your words.

And so what are we left with? Again, the Democrats are proposing the single largest tax increase in American history.

Now, I have the honor and privilege of representing a lot of good people in the Fifth Congressional District of Texas. And in my home State, the single largest tax increase in American history that Democrats are trying to impose is going to mean an extra \$2,700 burden on a family of four in my State.

And I asked people, I asked people from the Fifth District, what is this going to mean to you? And I heard from a lady, and I will use first names here, Diana from Mesquite, Texas, a suburb of Dallas. She said, Congressman, I wanted to let you know that I am a single mom that does not receive any type of child support, and an increase of this amount would break me. I would be at risk of losing my home with this type of increase. I am writing to ask your help to keep this from happening. This would be devastating to middle-income families in my situation.

Mr. Chairman, what the Democrats don't seem to realize again is when they spend more money on the Federal budget, they are taking money away from the family budget with their single largest tax increase in American history.

Let's hear from Brian from Dallas. Dear Congressman HENSARLING, the tax increase would most likely affect our ability to pay tuition and books for our daughter to go to college. She is a junior this year, and we are trying to save money for her education. The loss of these funds due to an increase in taxes will have a negative impact on our plans for her education.

They are taking money away from the family budget. They are putting Diana's home in jeopardy. They are putting the education of Brian's daughter in jeopardy.

Vote down this single largest tax increase in American history.

Mr. RYAN of Wisconsin. At this time, Mr. Chairman, I would like to yield 3 minutes to the gentleman from the House Budget Committee, Mr. SMITH from Nebraska.

Mr. SMITH of Nebraska. Mr. Chairman, I rise with great concern about the proposed budget and how sustainable it is or it is not.

□ 1900

I would express it concerns me a great deal when I see the fact that 115

million taxpayers would see their taxes increase on average by almost \$1,800 in 2011. I think this discussion can be healthy, and I appreciate the fact that the majority does want to keep some of the tax relief, but it needs a budget that comports with that intent.

It concerns me a great deal when I look at the long term when we see absolutely no change in direction from prior spending. We hear that there has been borrowing that has taken place. It has. There is no denying that. But now it seem that the option is to take more tax dollars from the taxpayers, and that is what I think will be damaging to the economy as a whole and certainly the economy of households all across America. When I look at what I see as very damaging to seniors with the dividends tax relief plan that would be cut off, that concerns me a great deal, and when I look at the impact to my State of Nebraska in the increases in taxes, I just don't see where this new budget sets a new direction.

We were told in the Budget Committee several times that we need fundamental reforms in entitlements, and yet this budget presents absolutely no reforms in entitlements.

Mr. Chairman, those are my concerns and they are concerns about the future.

Mr. SPRATT. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. ETHERIDGE), the former superintendent of education in the State of North Carolina.

Mr. ETHERIDGE. Mr. Chairman, on behalf of North Carolina's children and our working families and the people of America, I rise this evening in support of this budget resolution and congratulate my good friend the chairman of the committee, JOHN SPRATT, for his visionary leadership in crafting this important document.

With this budget resolution, the new Democratic majority will succeed where our Republican predecessors have failed. To budget is to govern, and this resolution will produce a balanced budget with balanced priorities, and that is important.

As the chairman has indicated, I am proud to be the only chief State schools officer serving in Congress, and I am particularly pleased about the measures providing for education and innovation in this budget. And I thank you, Mr. Chairman, for your leadership.

Specifically, rather than continuing the Republicans' record of passing a crushing debt burden on the future generations, the Spratt resolution contains tough budget discipline for a new direction for the Federal budget. The Spratt resolution rejects the President's proposed education cuts and instead provides greater investment in our Nation's schools, including the school construction bonds that Chairman RANGEL and I have been working on for nearly a decade. It provides \$50 billion for children's health insurance, and it protects millions of middle-income families from the onslaught of the alternative minimum tax.

There are many reasons to support this resolution, but in my brief allotted time, I want to say that I support this resolution on behalf of my grandson, William, and my granddaughter, Virginia, and all the children of America and their families who deserve a budget that puts their needs first.

My friends, this is what the Republican leadership has done for the last 6 years. They used a credit card. No one in America could get away with paying nothing but the interest on a credit card. They have run up the debt for my grandchildren and every child in America, and that is wrong. The definition of a good budget is when you do what is right for the next generation. That is the definition of this budget, and it is a budget that is truly balanced. And I thank you, Mr. Chairman, for your hard work.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentlewoman from Wisconsin (Ms. MOORE).

Ms. MOORE of Wisconsin. Mr. Chairman, if a Nation is judged by how it treats its weak, its vulnerable, and its children, then American families can be proud of the fiscal year 2008 Democratic budget.

For the past 6 years, this administration and its allies in Congress have pit ordinary people and their struggles against the interests of the wealthiest in our society.

The Democratic budget represents a dramatic change of course, putting children and families first by investing in health care and education, accommodating tax relief to middle-class families, and providing assistance for hurricane-ravaged communities and supporting the poorest of the poor, those who have no tax liability. We budget for expansion of the State children's health insurance program.

We often hear folks say that education is the key, but, of course, money is what unlocks the door. The chairman's mark increases funding for education and social services, job training by almost \$8 billion over the 2008 program level in the President's budget for vital services such as Head Start, IDEA, and programs under No Child Left Behind.

We reject the President's cuts to critical social services programs by helping struggling families make ends meet, and in doing so, we recognize that the number of Americans living in poverty has increased by 5.4 million since 2000. We provide the resources to help support energy assistance, food stamps, and child care for low-income families. The Democratic budget rejects the President's proposal to eliminate the Commodity Supplemental Food Program, serving nearly 5,000 seniors each month in my district.

This evening's budget debate is about our priorities as a Nation as well as our morality. In short, the Democratic budget represents a downpayment to fulfill the commitment we have made to our Nation's children and families.

Mr. SPRATT. Mr. Chairman, I yield 4½ minutes to the gentlewoman from Pennsylvania (Ms. SCHWARTZ).

Ms. SCHWARTZ. Mr. Chairman, I rise as a member of the Budget Committee. I am now in my second term. There is a great contrast between what went on in the last 2 years when I was in the Budget Committee and this budget that is being presented.

I want to compliment, first of all, on behalf of the people in my district, the 13th Congressional District in Pennsylvania, and as a proud American, to be able to do the right things fiscally, to be responsible, to compliment and congratulate Mr. SPRATT for putting forward a budget that is fiscally disciplined and fiscally responsible. And it is very different than the budgets we saw presented by the President or that I have seen passed in my last 2 years in Congress.

This budget is fiscally responsible, and it is a budget that is committed to new priorities for Americans, priorities that recognize the needs of the American families. This budget ends the Republicans unsustainable borrow-and-spend policies.

One of the most irresponsible things we could do we have watched them do for the last 6 years, and that is, spend money we simply do not do not have, with no real expectation about how we are going to repay the debt that we have incurred. In the last 6 years, we have reached a point where we have, because of their borrow-and-spend priorities, an almost \$9 trillion national debt.

This budget will put our Nation on sounder financial footing. It won't correct everything because the fact is that you can't deal with an \$8 trillion debt in 1 year, and we won't. But this budget does put us on sound fiscal footing, and that is something we should all be proud of and we should all support, both sides of the aisle, because what this budget does is it says that we are going to finally take responsibility to pay for what we spend and we are going to reach a balanced budget in 5 years.

We are going to have some surplus at the end of that 5 years. We are going to be able to start paying down our debt that we would otherwise be leaving to our children and our grandchildren. And at the same time, we are going to do everything we possibly can to make sure that we spend a few extra dollars, take money other places, pay as you go, as we have talked about, to actually be able to put some more spending into education and health care and veterans' health.

You have heard about some of that already this evening, Mr. Chairman, but we want to be absolutely clear that this budget requires any new Federal spending, including what we do this year, to be fully paid for, rather than left to future generations. It balances the Federal Government's checkbook within 5 years without raising taxes. It sets us on a course to pay down that debt and to pay for Social Security. It

is committed to tax relief for hard-working Americans, particularly the middle class, and we are committed to do so in a way that is fiscally responsible by saying we will do it and we will pay for it.

And we have asked our committees to take that seriously. I am on the Ways and Means Committee. We fully expect to deal with what would be an enormous tax increase on middle-class Americans, the alternative minimum tax, by not just patching it for 1 year, as the Republicans suggest and have been doing for 6 years, but by, in fact, fixing it permanently.

This budget also, Mr. Chairman, and I want to emphasize this, recognizes the priorities of American families as they seek to meet their obligations, just as we should as the Federal Government.

Fifteen years ago, a long time ago now, in 1992, I worked successfully as a Pennsylvania State Senator to start one of the Nation's first children's health insurance programs. We call it CHIP; the Federal Government calls it SCHIP. But as a result after 1992 to now, we have 150,000 children in Pennsylvania who have health insurance they wouldn't have had otherwise, private health insurance, and 4 percent of Pennsylvania children still don't have coverage. And nationwide, there are 7 million children across America who are uninsured. This is unacceptable.

So let me just say, Mr. Chairman, this budget responds by dedicating resources to insure those children. So let me just say this budget is a win for America's children, and it is a win for America's family. It is a budget that values our Nation's future economic outlook. It balances the budget. It lays the future groundwork for prosperity for the future of this country. It gets us to a point where we can pay down our debt. This budget is a proposal that presents a new direction for America. We should all be for it. It is fiscally sound and makes that investment.

I am proud to support this budget. We all should be.

Mr. RYAN of Wisconsin. Mr. Chairman, at this time, I would like to yield 3 minutes to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. Mr. Chairman, I have heard someone say, appropriately so, once they saw the Democrats' budget plan, "Be afraid. Be very much afraid." And the reason they said that was because they were looking at one of the points that have already been raised here, and that is the Democrats' largest tax increase in U.S. history. As people have already noted, a \$392 billion increase in taxes on American families. That certainly is reason alone to be afraid of this budget and what it will mean to the American taxpayer.

But mind you, the Democrats don't stop there. After they raise your taxes once, they are going to be coming after you a second time. And they do that in the form of trying to fill the so-called "tax gap."

What is the tax gap? The tax gap is their position of how they fill up any shortage in their funding by going after people who are not adequately paying their current tax amount.

I think the average American would say that we are already paying far too much in taxes. I think if you ask the average American, they would tell you that they are already paying their fair share. But the Democrats are saying that in addition to the \$392 billion in additional taxes that American families are going to pay, they are going to go after you one more time.

Right now, 86 percent of Americans, according to the IRS, are paying their fair share and paying at the respective time. The Democrats are saying that they are going to go for another around \$300 billion from Americans. Now, in committee, what they said they were going to do is go after those egregious loopholes in corporations and the like. I think Members on both sides of the aisle would agree that we should try to close those loopholes and go after corporations who are not paying their taxes.

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But do you know what? In the testimony before our committee, the IRS Commissioner told us that when he goes after corporations, that is only about 10 percent of all the outstanding taxes that are out there. That means one thin dime on the dollar is maybe available.

I pointed out to you already that they want to get another \$300 billion from you and I from this so-called tax gap. What does the IRS say about that? They say the most realistic figure they could come up with is around \$20 billion. And not just in one year. It would take about 5 years in order to achieve that \$20 billion.

So what does it come down to? It comes down to that the Democrats are raising your taxes on one hand and going with the other hand one more time at you to try to fill that tax gap. What does that mean to the average family, you and I?

Well, yes, they will tell you they are going to go after the bad guy out there who is not paying his taxes, but, in order to do it, they are going to have to change the Tax Code, strengthen the IRS, put more agents out there.

As a matter of fact, again, the IRS Commissioner came and testified before the committee. He said, in order to achieve even a part of what the Democrats want to do, they are going to have to impose draconian changes to the Tax Code. That means you put in a 1099 to pay your niece when she babysits or pay your neighbor when he mows the law. Draconian effects, added to this tax increase is what the Democrats would cost the American family.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. MCHEMRY).

Mr. MCHEMRY. I thank my colleague from Wisconsin.

Mr. Chairman, this is a landmark day in the House of Representatives; and records are being broken. In fact, they are being shattered here on the House floor.

Democrats are poised to pass a \$392.5 billion tax increase to this Federal budget and a spending increase to match it. And, you guessed it, it sets the record for our Nation's history, the record of the largest tax increase in American history.

Now, they should be proud, because they have outdone themselves from their budget in 1993, which was then the largest tax increase in American history. One hundred and fifteen million taxpayers will see their taxes increase by \$1,795; 48 million married couples will see their taxes increase by \$2,899; 17 million elderly individuals will see their taxes increase by \$2,270. This isn't chump change for the American people. It is real money. It is real money the Democrats believe the American people owe them.

And why do Democrats feel entitled to this money? Because it is what they do. It is what they do. They tax and they spend. They spend and they tax. It is what the Democrat Party here in Washington does. And why is that? Well, I think it is because they haven't had a new idea in 70 years with the advent of the New Deal.

But as a side note, for the American people listening today, Mr. Chairman, I think it is very interesting, very striking, the level of hypocrisy in this budget. Because it also does something very interesting with this budget today. It accepts the President's funding levels for the troops in Iraq through 2009.

Well, this is pretty interesting, because just last week the liberal majority voted to cut off funds in 2008, right before the general election, didn't they? I think this is a high level of hypocrisy out of this budget. And what they said last week is "we are standing against the war in Iraq. Get our troops out in 2008." What they are saying with this budget here today is, "we will fund it a little longer." It is a level of hypocrisy here in Washington, D.C., Mr. Chairman, that the American people need to know about. They say, forget about last week.

This Democrat party is the party of consistent inconsistencies.

Another glaring error is, in their first majority budget in 13 years, they don't tackle the entitlement programs. They don't tackle reforming entitlement programs to make sure Medicare and Medicaid and Social Security can last for generations. We need entitlement reform.

Republicans, when we were in the majority, we had \$280 billion worth of entitlement savings and reform to preserve Social Security, Medicare and Medicaid and all the entitlement programs. But the Democrats ignore the looming entitlement crisis.

I think what we have to go back to is this is the tax-and-spend party, and we must oppose them. I urge my colleagues to vote against this budget.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 3½ minutes to the gentleman from Michigan (Mr. McCOTTER), a member of the Budget Committee and the distinguished chairman of the Republican Policy Committee.

Mr. McCOTTER. Mr. Chairman, in addressing my issues with this budget, I prepared some elaborate charts. I know that you are pretty worn out of charts by now, but I think these will try to encapsulate some of the problems that I believe my party and myself in particular have with this budget.

Some of the problems I think have to be dealt with right off the top. We have a budget that promises to balance by 2012. It does so with many promises for future spending, and it promises to hit American taxpayers with the largest tax increase in American history.

Now, we are told not to be concerned about that. As someone with young children who would like to be out of the poorhouse when I retire, I worry about that greatly. I worry about that greatly, the economic opportunities that they will have in the future.

So when I see that it is being defended, the largest tax increase in human history is being defended because there are promises contained within the budget that, no, we do not mean this, we will only raise certain of your taxes, that still provides me very cold comfort indeed.

When I hear there are promises for billions upon billions in future spending in things called reserve funds, which means there is no money in it, it constitutes an IOU account, which to its name you have signed the American taxpayer, I also take very cold comfort in that.

When I hear that we talk about trying to find tax gap money to pay for new spending, I am reminded of the fact that tax gap funding is the difference between taxes levied and taxes collected. In short, tax gap money has to go for deficit reduction or debt reduction, because you are going to collect money for which services have already been purchased. If you allow new spending based upon that money, you will continue to perpetuate a deficit.

Now, I have come to this also as a father with young children and as a member of Generation X. I know I don't look it, because I am bald, but I am far younger than my service here has rendered me to look.

In the final analysis, there is no true entitlement reform here. My generation is the one that thinks it is never going to see Social Security, that the baby boomers will break the social safety net. We are concerned about Medicare, we are concerned about Medicaid, and yet we are told that we will deal with that later.

We are told by the Democratic majority that, when they were in the minority, somehow we impaired their ability to think and devise plans to save the social safety net of the United States, and let us wait. I tell you, I am

not getting any younger, and I prefer not to wait.

Now, one of my particular concerns I have to address. I have much respect for the Blue Dogs in the Democratic Party. My father was a Blue Dog Democrat. He wound up being a Reagan Democrat, which I think is pretty good.

The Blue Dog Democrats looked like this before in the past when they were in the minority, trying to show that they were fiscally conservative. Now, I don't know that I would let this dog watch my wallet, but I wouldn't think he would bite me. So I might take a chance on him or not.

But today's budget, for the Blue Dogs who support it, I want you to see what America is going to think of you. There you are. There you are, with a fine new hairdo. There are you are with silk and threads, purchased with the largest tax increase in American history.

Now, that dog might not bite you, but I certainly wouldn't trust it to guard my wallet either.

Mr. SPRATT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thought I had seen it all, until I just saw the cartoon. What we have seen tonight is a sort of unrelenting attack for 3 hours on a straw man, a demonized version of this particular budget resolution. Because if you read it, you read it in vain in search of any particular language or place where these tax cuts are terminated or extended. That decision, as we have said, has been left open until a better time when we know better where we stand.

If we had wanted, if we had wished, we could have repealed all of the deductions, credits and exemptions passed in 2001 and 2003. We did not do that. They remain in effect this year, next year, 2009, 2010. Then they expire on December 31, 2010, because that is the way they wrote them to expire, in order to diminish the size of the tax cuts somewhat and shoo them into the budget situation, which would only provide for so much tax expenditure reduction.

I have also heard it said out here something about defense spending. Let me mention to you one little anomaly we haven't brought up tonight. But in order for the other side to say they are spending more than us on defense, I guess, I surmise, they have added \$38 billion to budget authority, BA, for national defense. But, at the same time, they have taken \$60 billion out of the outlay stream. That is the real money that is outlaid, that is spent by the Pentagon.

So they have taken \$60 billion away from our troops in the field by their assumption about outlays, if it were efficacious; and, in fact, it is not efficacious. You can't control outlays. So they have an anomaly like that in the middle of the budget.

So I don't think it behooves them to criticize our budget resolution or to

make it something that it isn't, because they have got things there in their own budget resolution that won't bear scrutiny and require explanation.

But the tax cut, let's get down to the bottom line, this budget resolution does not raise taxes. It allows all of the tax cuts passed in 2001 and 2003 to remain in place until they expire December 31, 2010, and leaves for then the decision as to what to do about their renewal.

Mr. Chairman, I yield 3½ minutes to the gentleman from Florida (Mr. MAHONEY).

Mr. MAHONEY of Florida. Mr. Chairman, I rise tonight on behalf of Florida's 16th Congressional District in support of the House budget resolution for fiscal year 2008.

I decided to run for Congress 18 months ago because I wanted to protect my daughter Bailey's American Dream. I was appalled by how Republican leadership had turned a budget surplus into a \$3 trillion deficit. I was appalled by out-of-control earmarks that put political payoffs over good government. Tonight, my daughter's legacy of this Republican mismanagement is her personal debt tax of \$29,000.

I am proud to stand here tonight with Chairman SPRATT and my fellow Blue Dogs in support of a fiscally responsible budget that reflects the priorities and values of the American people. I am proud that the Democratic Party is taking yet another step in bringing fiscal responsibility back to our Nation.

Our first step happened within hours of our swearing in, when we began to clean up the Republicans' culture of corruption by passing earmark reform. Next, we passed the pay-as-you-go, PAYGO, rule that forces this Congress to live within its means, just as American families do. I am proud that this budget follows the PAYGO rule, as it demonstrates a Democratic commitment to walk the walk of fiscal responsibility and not just talk the talk.

Instead of a fiscal policy that gives tax breaks today and funding them by going into debt and mortgaging our children's future, this budget begins the process of bringing spending under control and lays the foundation to return to a budget surplus so that we can legitimately lower taxes.

While the President's budget imposes nearly \$81 billion in new taxes over the next 5 years through user fees for veterans, seniors and other taxpayers, our budget reduces taxes on middle-income families.

While the President's budget increases taxes by more than \$300 billion by cutting employer-provided health care, our budget lowers taxes by extending the child tax credit, the marriage penalty tax relief, the 10 percent individual income tax bracket, the research and development tax credit and the deduction for State and local sales tax, something that is critical to my constituents in Florida.

And while the President's budget increases the deficit by over \$1.4 trillion

over the next 10 years, our budget would create a budget surplus within 5 years.

This budget resolution provides for a strong national defense, giving the President what he requested, while increasing homeland security funding for port security and our first responders. It takes care of those who have served our country by increasing funding for veterans service programs by a record \$6.6 billion. It stands up for Florida's 1.8 million small business owners by rejecting the President's plan to slash the Small Business Administration's budget by 26 percent.

Mr. Chairman, this budget puts children and families first by investing in health care and education. It helps 733,000 of Florida's most vulnerable children who do not have health insurance.

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This budget helps 733,000 of Florida's most vulnerable children who do not have health insurance by increasing funding for the State Children's Health Insurance Program, and invests in our children and our economy's future by honoring the President's broken promises by funding No Child Left Behind and special education and Head Start.

This budget resolution funds our priorities and reflects the priorities of our districts, the States and Nation; it lowers taxes, not raises taxes.

Mr. Chairman, I encourage my colleagues to support the House budget resolution.

Mr. RYAN of Wisconsin. I yield myself 30 seconds, Mr. Chairman, only to say that I can't understand how you can say that their budget lowers taxes, let alone doesn't raise taxes.

You can't have it both ways. Either you are raising taxes and balancing the budget or you are not raising taxes and not balancing the budget. It is mathematically impossible for the other side to say they are balancing the budget and not raising taxes.

With that, I yield 6 minutes to the distinguished ranking member of the Veterans' Affairs Committee, Mr. BUYER of Indiana.

(Mr. BUYER asked and was given permission to revise and extend his remarks.)

Mr. BUYER. I compliment Mr. RYAN for his budget. I speak in support of the Republican alternative for fiscal year 2008 budget resolution.

In particular, I would like to address the veterans discretionary health care and programs which would provide \$42.4 billion, most of it for health care. This budget is \$2.9 billion above the administration's overall request.

Mr. Chairman, the Republican alternative would provide our Nation's veterans with an increase of \$8 billion more than the Democrats over the next 5 years, without any tax increases on the very same veterans. That is a budget of \$8 billion more for our veterans versus a tax increase of \$392.5 billion on America's veterans.

Now think about that. They want to stand up and say, oh, we are going to be against enrollment fees and copays, but what are they really doing? They are increasing taxes on veterans to do what? Increase funding for veterans programs. Think about it. Over 25 million veterans they want to increase taxes on.

The assumptions behind the numbers of Mr. RYAN's budget here, within the \$28.5 billion for medical services for FY08, House Republicans would provide \$1.3 billion more than the President's request, including \$463 more in increasing demands on VA health care system, \$200 million for mental health over and above the President. These numbers are over and above the administration. \$100 million more on OIF, OEF, \$100 million for chiropractic care, \$100 million for dental care, \$80.2 million on long-term care, \$50 million more than the administration on polytrauma care, \$65 million for prosthetic and sensory aids, \$25 million for blind rehabilitation. Republicans would also provide nearly \$100 million more than the administration's request for the medical and prosthetic research.

We also fund \$1.4 billion above the administration's budget for construction and facilities. This includes \$585 million to the O&M accounts for improving our current medical facilities, an additional \$691.7 million to support a substantial investment in the construction, renovation, planning and design of major medical VA facility projects, and \$120 million for the gravesite expansion in the National Cemetery Administration.

When you look at the chart, the zeros on the chart, the dots here are the National Cemetery expansions. Those would include Calverton, New York; Indiantown Gap, Pennsylvania; Canton, Georgia; Abraham Lincoln, Illinois; Dayton Ohio; Houston, Texas; Phoenix, Arizona and Riverside, California.

When you look at the diamonds, what this would include would be advanced planning for construction projects in Tampa, Florida; in Bay Pines, Florida; Seattle, Washington; American Lake, Washington; Seattle, Washington; Roseburg, Oregon; Palo Alto, California; San Francisco, Loma Linda, Los Angeles; Dallas, Texas; Louisville, Kentucky; Butler, Pennsylvania; Washington, D.C.

In North Carolina it would be in Salisbury, Ashville and Fayetteville; Wichita, Kansas; Omaha, Nebraska. And in South Carolina, it would be in Columbia and in Charleston. In Alabama, it would be Birmingham. Perry Point, Maryland; Bronx, New York; West Haven, Connecticut.

With regard to major construction projects and full funding, that is depicted by the stars on this map, you would have in Los Angeles, California would be seismic corrections of \$103.8 million; Fayetteville, Arkansas, clinical addition \$59 million; Pittsburgh, Pennsylvania, a campus consolidation

of \$105.5 million; Lee County, Florida outpatient clinic of \$89 million. St. Louis, Missouri, is medical center improvements of \$25.8 million. Columbia, Missouri operating suite replacement of \$32.5 million. And in Milwaukee, Wisconsin, a spinal cord center of \$30 million.

With regard to how we get to the \$8 billion differential, it is this: The Democrats assume an assumption over the 5 years of an increase of 5.8 percent. The Republican proposal over 5 years is an increase of 7.2 percent. What I did is I looked at the medical inflation plus utilization rate, and when you work those numbers, we actually come up with a differential of \$8 billion. The Republican alternative is an \$8 billion increase in veterans funding over and above the Democrat proposal. And we do that without increasing taxes on America's veterans. I think that is pretty important.

When I think about the taxes on America's veterans and families, let's see, those are tax increases on middle-income veterans and their families, tax increases on low-income earners, tax increases on veterans with children, those who own small businesses. Think about it. It is going to be an increase in marginal rates potential, the child tax credit reduction could be wiped out. You've got the increase in the marriage penalty, increase in death taxes, increase in capital gains and other tax increases. That is going to be upon America's veterans, and I think that is pretty disturbing.

So a \$392.5 billion Democrat tax increase, who does it hurt? It hurts America's veterans. It hurts our wounded warriors. It hurts our low-income veterans. It hurts veterans with children. It hurts our veterans who are business owners.

Now think about this for a second. I want to go back to it. I support the copays, I support enrollment fees for proper utilization. But what is happening here? You see, my Democrat colleagues will stand up and say to the veterans community, oh, I don't want to increase any copays, I don't want to do enrollment fees, but what are they doing instead? They are taxing America's veterans, who in turn will then take those dollars and roll them back into veterans programs. But they are going to champion that we are not going to increase copays, I am not going to increase enrollment fees, but what I am going to do to 25 million veterans is I am going to tax them, not only during your life, but I am going to tax you when you die.

Thank you, for the time Mr. RYAN and I thank you and your staff for your hard work on this budget. It is a budget of which we can be proud.

Mr. Chairman, the Republican Alternative for Fiscal Year 2008 Budget Resolution for veterans discretionary healthcare and programs would provide \$42.356 billion, most of it for health care. This budget is \$2.939 billion above the administration's request.

Mr. Chairman, the Republican alternative would provide our Nation's veterans with an

increase of \$8 billion more than the Democrats over the next 5 years without any tax hikes on those same veterans.

Within our \$28.5 billion for medical services for FY08, House Republicans would provide \$1.3 billion more than the President's request, including: \$463 million more for increasing demands on the VA health care system; \$200 million for mental health care; \$100 million more for Operations Enduring Freedom and Iraqi Freedom; \$100 million for chiropractic care; \$100 million for dental care; \$80.2 million for long-term care; \$50 million more than the administration for polytrauma care; \$65 million for prosthetic and sensory aids; and \$25 million for blind rehabilitation.

Republicans also would provide nearly \$100 million more than the administration's request for medical and prosthetic research.

We fund \$1.4 billion above the administration's budget for construction and facilities. Included in this is \$585 million for improving our current medical facilities and an additional \$691.7 million to support a substantial investment for the construction, renovation and planning and design of major medical facility projects. The Republican Alternative also includes \$120 million for the National Shrine Commitment of the National Cemetery Administration and expands gravesites in the following locations: Annville, PA; Canton, GA; Elwood, IL; Riverside, CA; Calverton, NY; Houston, TX; Elwood, IL; Dayton, OH; and Phoenix, AZ.

This is why the Republican alternative also funds an additional \$691.6 million above the administration's request to support a substantial investment for the construction, renovation and planning and design of major medical facility projects.

\$105.5 million for the consolidation of campuses in Mr. DOYLE's district in Pittsburgh, PA. Constituents in Mr. ALTMIRE's, Mr. MURPHY's, and Mr. MURTHA's district will benefit as well.

\$103.8 million for seismic corrections in Mr. WAXMAN's district in Los Angeles, CA. Constituents all over the Los Angeles area would also benefit including constituents in Ms. HARMAN's and Ms. WATSON's district.

\$32 million for a Spinal Cord Center in Ms. MOORE's district in Milwaukee, WI. Constituents in Ms. BALDWIN's, Mr. SENSENBRENNER's, and Mr. RYAN's district will benefit.

\$89 million for outpatient improvements in Mr. MACK's district in Lee County, FL. Constituents in Mr. MAHONEY's, Mr. DIAZ-BALART's, and Mr. BUCHANAN's district will benefit as well.

\$59.9 million for a clinical addition in Mr. BOOZMAN's district in Fayetteville, AR. Constituents in Mr. SNYDER's, Mr. BLUNT's, and Mr. ROSS' district will also benefit.

\$92 million for medical center improvements in Mr. CARNAHAN's district in St. Louis, MO. Constituents in Mr. LACY CLAY's and Mr. AKIN's district will benefit.

\$25.8 million for operating suite replacement in Mr. HULSHOF's district in Columbia, MO. Constituents in Mr. GRAVES', Mr. SKELTON's, and Mr. AKIN's district will benefit.

Mr. Chairman, the Republican Members also fund advanced planning for medical facilities. The funding represents about 5 percent of the estimated cost of the project and is an important first step in the construction of these new facilities.

\$36.8 million for a co-located joint use medical facility with the Medical University of South Carolina in Charleston, SC. This project is in Mr. BROWN's district but constituents in Mr. CLYBURN's district will benefit as well.

\$8 million for Poly-trauma center expansion and a bed tower in Tampa, FL. The project is in Ms. CASTOR's district, but it will also help constituents in the districts of Mr. BILIRAKIS, Mr. PUTNAM, and Mr. YOUNG.

\$1.9 million for seismic improvements in Seattle, WA. The project is in Mr. MCDERMOTT's district but will also help constituents in the districts of Mr. DICKS and Mr. SMITH.

\$6.8 million for inpatient and outpatient clinic improvements in Bay Pines, FL. This is in Mr. YOUNG's district and the project will also help constituents in the districts of Mr. BILIRAKIS, Ms. CASTOR, and Mr. PUTNAM.

\$26.5 million for land to build a new medical facility in Louisville, KY. This project is in Mr. YARMUTH's district but will also benefit constituents in the districts of Mr. DAVIS and Mr. LEWIS.

\$14 million for seismic correction in ambulatory care in Palo Alto, CA. This project is in Ms. ESHOO's district but constituents in the districts of Mr. HONDA, Mr. LANTOS, and Mr. STARK will also benefit.

\$2.4 million for seismic corrections in American Lake, WA. This project is in Mr. SMITH's district but constituents in the districts of Mr. DICKS, Mr. MCDERMOTT, and Mr. REICHERT will also benefit.

\$3.6 million for seismic corrections for the mental health building in Roseburg, OR. This project is in Mr. DEFazio's district but constituents in the districts of Ms. HOOLEY and Mr. WALDEN will also benefit.

\$2.9 million for a spinal cord injury center in Dallas, TX. This project is in Ms. BERNICE JOHNSON's district but other constituents in the Dallas area will also benefit.

\$4.1 million for a spinal cord injury center in Bronx, NY. This is in Mr. SERRANO's district but constituents in the districts of Mr. RANGEL, Mr. CROWLEY, and Mr. ENGEL will also benefit.

\$4.3 million for seismic corrections to five buildings in San Francisco, CA. This project is in Speaker PELOSI's district but constituents in the districts of Ms. WOOLSEY, Ms. LEE, and Mr. LANTOS will also benefit.

\$7.5 million for seismic corrections to thirteen buildings in Los Angeles, CA. This project is in Mr. WAXMAN's district but all constituents in the greater Los Angeles area will benefit especially those in the districts of Ms. HARMAN and Ms. WATSON.

\$2.2 million for an outpatient clinic in Butler, PA. This project is in Mr. ENGLISH's district but constituents in the districts of Mr. ALTMIRE and Mr. PETERSON will also benefit.

\$6.5 million for seismic corrections for buildings in Seattle, WA. The project is in Mr. MCDERMOTT's district but will also help constituents in the districts of Mr. DICKS and Mr. SMITH.

\$3 million for an outpatient clinic in Palo Alto, CA. This project is in Ms. ESHOO's district but constituents in the districts of Mr. HONDA, Mr. LANTOS, and Mr. STARK will also benefit.

\$8.5 million for outpatient clinic expansion in Washington, DC. This project would affect constituents in ELEANOR HOLMES NORTON's district but also benefits constituents in Mr. DAVIS's and MORAN of Virginia, as well as constituents in Mr. WYNN's and leader HOYER's district.

\$2 million for a clinical addition in Salisbury, NC. This project is in MELVIN WATT's district, but constituents in Mrs. BONO's, Mr. BACA's, and Mr. MCKEON's districts will also benefit.

\$3.75 million for medical and surgical bed, and ambulatory modernization in Wichita, KS. This project is in Mr. TIAHRT's district but will benefit all veterans in Kansas.

\$2.6 million for diagnostics and specialty care facility renovation in Columbia, SC. This project is in Mr. WILSON's district but the constituents in the districts of Mr. SPRATT, Chairman of the Budget Committee, and Mr. CLYBURN will also benefit.

\$5.9 million for clinical expansion in Dallas, TX. This project is in Ms. BERNICE JOHNSON's district but constituents in the districts of Mr. SESSIONS and Mr. MARCHANT will also benefit.

\$1.6 million for an outpatient clinic in Huntsville, AL. This project is in Mr. DAVIS' districts constituents in the districts of Mr. ADERHOLT and Mr. BACHUS will also benefit.

\$2.5 million for a nursing home care unit in Perry Point, MD. This is in Mr. GILCREST's district but constituents in the districts of Mr. MILLER and Mr. SARBANES will also benefit.

\$5.2 million for a clinical ward tower in West Haven, CT. This project is in Ms. DELAURO's district but constituents in the districts of Mr. HALL, Mr. SHAYS, Mr. MURPHY and Mr. COURTNEY will also benefit.

\$7.8 million to fix heating and air conditioning and clinical deficiencies in Omaha, NE. This is Mr. TERRY's district but I am sure all Nebraskan veterans will benefit.

\$1.8 million for outpatient expansion in Ashville, NC. This project is in Mr. SHULER's district but constituents in the districts of Mr. DAVIS and Mr. DUNCAN, of Tennessee, will also benefit.

Mr. Chairman, I now turn to my next chart, which shows the Republican alternative budget outlays for the next five years.

As you can see, the President's five-year average budget growth rate for VA discretionary spending is 1.60 percent, the Democrat's is only 5.8 percent and the Republican alternative five-year average growth rate is 7.2 percent.

This number accounts for the cost of medical inflation that is calculated by the consumer price index and annual increased use of VA by all veterans.

What this means Mr. Chairman is that over the next five years Republicans would increase spending by \$8 billion more than our friends on the other side of the aisle and we will do this without a tax increase.

Mr. Chairman, at first blush the Democratic budget appears good for veterans, but it is really just smoke and mirrors.

The Democratic budget contains a \$392.5 billion tax hike. This includes tax hikes on middle income veterans and their families, veterans who are low-income earners and veterans who own a small business. Democrats also blocked every amendment offered in the Budget Committee that would stop unfair taxes on veterans and their families.

Mr. Chairman, the last time Democrats were in the majority they passed the largest tax hike in history. Now, with only 3 months in office they have already broken their own record. This is the wrong message to send to our veterans and their families.

Mr. Chairman, we are a nation at war, and we will win this war. The best way to maintain morale of our servicemembers is not to micro-manage the fight, pretending that's good for the troops; it is to make tough decisions here that will engender their confidence in our capacity to preserve the vitality of this nation while they fight for its freedom.

I believe that the Republican budget helps do exactly that, while honoring the promises we have made our veterans.

Mr. RYAN of Wisconsin. Mr. Chairman, may I inquire as to how much time is left on each side?

The Acting CHAIRMAN (Mr. LYNCH). The gentleman from Wisconsin has 31½ minutes and the gentleman from South Carolina has 23½ minutes.

Mr. RYAN of Wisconsin. At this time, Mr. Chairman, I will yield 3 minutes to the gentleman from Indiana.

Mr. BURTON of Indiana. I thank the gentleman for yielding.

Mr. Chairman, if America is watching this debate, I'm sure they are getting confused by all this minutia, which is very, very important. So the things that they really need to be listening to tonight is, and I hope America is paying attention to this, this is the largest tax increase in the history of the United States by the people who said they weren't going to do it when they were running for office. They promised a streamlined government. They promised less spending and lower taxes.

Let me tell you what they are going to raise, and I hope everybody in America is listening because this isn't minutia, this is the facts. Marginal tax rates are going up by \$192 billion. The reduction in child credit, if you've got a child, the reduction in child credit is \$27 billion. That's an increase. The increase in the marriage penalty is \$13 billion, you know, the marriage issue that has been around for a long time.

The death tax. If you are going to leave your business to your kids, if you want to reduce that so that you can leave your children your farm or something, they are going to increase that by \$91 billion. They are going to increase the capital gains tax. If you are a small businessman trying to make it in this very competitive society in which we live, they are going to increase the cost of capital gains by \$32.5 billion, and then other tax increases by \$47 billion.

So, America, if you are listening tonight, and I hope you are, it is late in the day, except in California, I guess in California it is only about 5 o'clock or a little before, but if you are listening, remember, the people who promised you a streamlined government, the Democrats, the people who promised you lower taxes and better government, the Democrats, remember, they are giving you, across the board, the largest tax increase in the history of America, \$392.5 billion over 5 years.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Members are reminded that they are to direct their remarks to the Chair, and not to the television audience.

Mr. RYAN of Wisconsin. At this time, Mr. Chairman, I would like to yield 3 minutes to the distinguished gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentleman for yielding and for putting together such a great alternative budget.

Mr. Chairman, I rise in opposition to the budget resolution being considered today, and I do urge support for the minority substitute budget.

Totaling nearly \$3 trillion, the 2008 budget, as introduced, is the largest in history, and it fails on many levels.

First, it fails to provide significant entitlement reform. Second, it fails to provide fiscal restraint on discretionary spending. And finally, it fails in reducing the physical burden on taxpayers.

The 2008 budget, as introduced, also fails to provide a blueprint for reining in our bloated farm programs. I want to talk about that for a minute.

This budget is consistent with CBO's March baseline and provides funding for reauthorization of current farm bill programs. But it also allows for up to \$20 billion in so-called "reserve spending" over 5 years. Even with select commodity prices as high as they are, allowing for farm programs to continue at their current funding level is a tough pill to swallow.

Even though an estimated allocation is included in the budget, under the current farm programs, the actual amount of spending will depend on future commodity prices. Should crop prices fall, as they did after the 1996 farm bill, we will see dramatic increases in farm payments, spending that we have not accounted for or that we have otherwise offset for.

According to the CRS, the 1996 farm bill was expected to cost \$37 billion over 7 years, but with farm prices falling dramatically, the Federal Government actually spent nearly \$90 billion. This could happen again. With the volatility inherent in current farm program spending, taxpayers should not be saddled with an additional \$20 billion over 5 years in so-called reserve spending.

While at this point this reserve spending requires offsets, there is no way to ensure that that requirement will actually stick in the outyears.

Mr. Chairman, I urge support for the minority substitute, which includes fiscal restraint and an unprecedented level of transparency. The substitute budget includes about \$300 billion worth of savings in entitlement reforms and balances the budget in 5 years without increasing taxes.

With 77 million baby boomers set to retire, pushing the total cost of Social Security, Medicare and Medicaid from today's 8.4 percent of GDP to 18.9 percent of GDP in 2050, we literally cannot afford to do nothing. The substitute budget also does not provide the additional reserve spending for agriculture programs.

Finally, the substitute budget includes a requirement that earmarks be included in the text of appropriation bills. This is a measure that I have championed for a while, and I should point out in the last Congress I had good bipartisan support. Many Democrats supported this legislation. They are not today. I think it should be

noted, if it was good last year, it's good this year as well.

I urge support for the substitute budget.

Mr. SPRATT. Before yielding to the gentleman from Virginia (Mr. SCOTT), let me read from three letters we received in our committee. One is from the American Legion with respect to our support for veterans' health care.

"The American Legion and its 2.8 million members applaud the Budget Committee," that's us, Democrats, "for the budget resolution recommendation of \$43.1 billion in funding for veterans' health care. That is our recommendation." That is the American Legion speaking.

The DAV says, "The budget recommendation coming out of the House will make a real difference in the lives of America's sick and disabled veterans. This is important if our Nation is at war."

And the Veterans of Foreign War, the VFW says, "The members of the VFW stand firmly behind you in support of your strong advocacy for this Nation's veterans." These letters go on and on and on. We had a press conference yesterday where they endorsed our budget resolution because of what we provide for veterans' health care, the biggest increase in veterans' health care funding in the history of the organization.

Mr. Chairman, I now yield 3 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. I thank the gentleman for yielding.

We have been lectured. And sometimes you just have to be reminded about what's been happening to the deficit. We have been lectured by the people who created this chart. You don't create charts like this by accident. Those that created this chart are the ones that are lecturing us on what to do. Just look at the chart.

Now, one way to improve this mess is to improve the economy. Some economic policies help the economy, some don't. We know that creating jobs is extremely important.

□ 1945

If you look all the way back to Herbert Hoover, the job growth under this administration is tied for last since Herbert Hoover. We know that the job growth during this administration in fact isn't even as good after two major budget-busting tax cuts, isn't even as large as the Congressional Budget Office suggested it would be if we had done nothing. They had a projected job growth if we do nothing. They cut the taxes, and we actually didn't even do as well as that. So, the worst job performance since Herbert Hoover.

And what has it done to the stock market? Every 4 years, since the first Reagan administration, the first 4 years of Reagan, the second 4 years, the first 4 years of the first Bush administration, Clinton, the aggregate 4 years change in the Dow, worst since before 1980. That is what is the result of the economic policy.

Now, we know that we can grow the economy if we reduce the deficit, reduce the vulnerability to foreign countries. Three-fourths of our net debt has been financed by foreign investments, China, Japan, Saudi Arabia being three of the largest. You can't negotiate trade deals if you are borrowing money from somebody. You can't negotiate oil prices if you are borrowing money.

We can also grow the economy with investments in education, job training, and science. The Democratic budget does it. You can help with health care, with help in productivity. You can invest in agricultural, rural communities, and transportation. Our budget does that. And we can grow the economy with fiscal responsibility, and the Democratic budget will help dig us out of the ditch that was formed by the Republican policy starting in 2001.

There will be a number of budgets introduced. I will be introducing the Congressional Black Caucus budget that I frankly think does even a better job and makes tougher decisions. But this budget will dig us out of the ditch because it will make those important investments in the economy.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlelady from California (Mrs. CAPPS).

Mrs. CAPPS. I thank the chairman of the Budget Committee for recognizing me.

Mr. Chairman, I rise in support of this fiscally responsible and morally sound budget resolution. I am especially proud that it prioritizes health care for our neediest children over tax breaks for our wealthiest few.

For the first time in my tenure in Congress, I feel we have a blueprint that invests in our future. I want to commend Chairman SPRATT and my colleagues on the Budget Committee for including the necessary funds to expand the State Children's Health Insurance Program to every child who qualifies. These are children of hardworking families. Low-income children and their families should have access to the same quality health care as everyone else, but the reality is that they don't. Under the President's budget, even more of them would have been cut off from SCHIP and Medicaid.

As a former school nurse, I can tell you that children without health care translates into children who do not receive primary care, who do not receive dental care, who are sent to school sick, who suffer from preventable illnesses.

I applaud the \$50 billion investment into SCHIP because it is sure to bring us great returns, returns in the form of healthy, productive children. After all, that is what we have been sent here to do. I urge my colleagues to support this budget and support this bill.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. I thank the gentleman for yielding.

Mr. Chairman, given the history of the last few years, there is no reason to

take what the Republican minority is saying seriously. And I say that because the history of the last 6 years has been to prove that people who don't believe in government don't run it well.

It is also true that past Republican budgets have never made permanent the President's tax cuts. So there is rank hypocrisy to suggest that there is a tax increase embedded in this one when there was a similar increase embedded in past Republican budgets.

But, beyond that, what we are really talking about is criticism from a party which ran up \$3 trillion in the Federal debt over the last few years; and they have done that, frankly, by putting their tax cuts for the richest people in the country on a credit card. Only they don't intend to pay the credit card. They intend our children and grandchildren to pay back the credit card with \$3 trillion of additional Federal debt.

Now, we could go on, on that subject, but the bottom line is budgets are about priorities; and the Democratic priorities in this budget are very, very different from what the administration and the Republicans have done before.

For example, clean water. In my home State of Maine, we value the environment. A good environment is absolutely essential to the health of our economy, because so many people come to me precisely because we have clean air and clean water and a beautiful place to visit. So it is important to the economy. People move to Maine because it is a fabulous place to live, and the quality of the environment is important there as well. Our future responsibility for the planet is all tied up in environmental issues.

But the President and the past Republican Congress has reduced the Clean Water State Revolving Fund over the last few years. Clean water is a basic value for all Americans, and they tried to reduce funds for the Clean Water Revolving Fund. Conservation and preservation of important resources, important to all people in this country, they tried to cut it. We are increasing that funding.

The bottom line is this: Our budget priorities are dramatically different. We have rejected the administration's proposed cuts to core environmental programs such as the Land and Water Conservation Fund, the Fish and Wildlife Refuge System, and EPA's own budget. They have been trying to reduce funding for the Environmental Protection Agency. We have a different set of priorities. We increase that funding, and this makes a dramatic difference. This budget funds conservation and environmental protection infrastructure at \$31.4 billion, \$2.46 billion more than the President requested.

We have provided a deficit neutral reserve fund for the reauthorization of the farm bill, and a significant portion of that increased funding would go toward enhancing the Department of Agriculture's natural resource conservation programs.

I would go on to say that expanded agricultural conservation programs help farmers better comply with environmental regulations, and they certainly provide valuable natural resource benefits for the public.

The bottom line is this: clean water, clean air, protecting public health, improving the environment, fulfilling our responsibility to preserve the planet for our children and grandchildren, to preserve our parks, forests, wildlife refuges, and open space. That is what this Congress should be doing. That is what this Democratic budget does. It is a dramatic change from the past, and I just want to congratulate Chairman SPRATT for the good work he has done in making this budget environmentally sensitive.

Mr. SPRATT. I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, what we are hearing this evening almost gives hypocrisy a bad name. We have our friends on the other side of the aisle somehow chastising us for not doing enough on entitlement reform when they have had 6 years of being in control. We have a situation, in spite of their collapse of the budget process last year, they couldn't put it together, collapse of the appropriations process and, quoting from the Heritage Foundation, that they presided over one of the largest run-ups in spending in American history. They somehow are looking at our budget and thinking that it is wanting.

Well, through their warped prism, I can understand that. Their top priority is not dealing with the tsunami of the alternative minimum tax, which they have ignored for the last 6 years, but to put \$1 trillion in the hands of the top 1 percent over the next 10 years with their tax priorities.

As my friend Mr. ALLEN pointed out, this is about priorities. And, for the first time in 6 years, we are going to reverse their negative priorities dealing with the environment, one of the few areas that they could control spending. Now, bear in mind, these are the folks that gave us the rainforest in Iowa which they are now concerned about, the Bridge to Nowhere.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (Mr. LYNCH). The gentleman must direct his comments to the Chair.

Mr. BLUMENAUER. I appreciate the advice of the Chair.

They cut spending for the environment, the 300 section, 16 percent; and under the leadership of Mr. SPRATT and the Democrats, we are reversing it. We can't deal with all their problems in just one year, but we are making a good start with over \$2.5 billion to deal with the Land and Water Conservation Fund, dealing with cleaning up of superfund sites and toxic waste.

But look at the details of what they offer in their alternative later. Mr. RYAN has suggested almost \$19 billion of reductions in ag, transportation, and

natural resources. These are conservation, these are clean water, these are environmental protection. The contrast could not be more stark.

We are investing in America's environmental future. They, if their alternative were adopted, would continue the deterioration, the disinvestment, the attack on America's priorities. I would respectfully suggest that this alone ought to be a compelling argument to reject their alternative offered later and to adopt the Democratic proposal that is before us this evening.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the Budget Committee, Mr. HENSARLING from Texas.

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Chairman, I am not sure that the last speaker is reading the same budget that I am. I mean, it is incredible to be lectured here on the whole question of entitlement spending, and the Democrat budget alternative is stone cold silent on the issue, the number one fiscal issue that is challenging our Nation.

And don't take my word for it, Mr. Chairman. Look at the testimony of the Congressional Budget Office. Look at the testimony of the General Accountability Office. Look at the testimony of our Federal Reserve Chairman, the Secretary of the Treasury, the Director of OMB. Anybody who has any responsibility for fiscal policy in America will tell you that we are on the verge, we are on the verge, and to paraphrase the Comptroller General, we are on the verge of being the first generation in America's history to leave the next generation with a lower standard of living.

So when we get lectured about entitlement spending, why is the Democrat alternative silent on it? Why have all the Democrats refused to join us in doing anything to save Social Security, save Medicare, save Medicaid for the next generation?

Let's look here. They speak about what has happened in the Federal debt, and they should be concerned about it. But when it increases \$3 trillion, look at what has happened to the unfunded liability in Social Security and Medicare when they refuse to do anything, anything to reform entitlement spending. If you do not reform Medicare, Medicaid, and Social Security, they will not be there for the next generation. They will not be there. If you do not reform them, you lose them.

So how their budget, Mr. Chairman, can be described as fiscally responsible when they are absolutely silent on the number one fiscal issue that faces our Nation is beyond me.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. BURGESS).

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Mr. BURGESS. Mr. Chairman, I thank the ranking member for yielding me this time.

I appreciate Mr. HENSARLING's comments as well. My comments this evening are going to be directed toward the entitlement program known as Medicare. It does seem that the budget, before this evening, the budget we are debating, does lack a lot. It has a significant deficiency.

The gentleman from Texas (Mr. HENSARLING) has already pointed out the lack of any real entitlement reform; but there is a missed opportunity in this budget which is disturbing. Yesterday in the Rules Committee, I offered an amendment which was not made in order. This amendment was relatively simple. It would have provided for reconciliation instructions, require the House Judiciary Committee to take up and report to the full House a bill that would reform our medical justice system, and limit the number of lawsuits of questionable merit in order to achieve an overall savings of \$2 billion over 5 years.

By capping noneconomic damages at \$250,000 per provider, \$500,000 per case for noneconomic damages, the CBO estimates that this amendment would save nearly \$2 billion over 5 years, \$4.5 billion over 10.

Because the practice of defensive medicine is so pervasive, this amendment would establish a liability safety net for many States. It would also insulate providers from lawsuits of questionable merit while ensuring just compensation for those who have been truly injured.

Defensive medicines increases the cost of medical care. It reduces access for patients, and increases the cost of programs like Medicare and Medicaid for the United States taxpayer. This is doubly important as costs increase in Medicare and Medicaid year after year, and we seek savings to make certain that these programs are solvent and viable for those who depend on them now and well into the future.

Medicare and Medicaid represent a growing expenditure of over \$600 billion a year for the Federal Government. As the medical liability crisis grows, a large fraction of these dollars will be spent on inefficient health care services provided more to protect the provider from a lawsuit than to improve the patient's health.

Effective medical liability reform would constrain the growth of vital programs such as Medicare and Medicaid, and ensure their long-term viability.

I am happy that the Republican substitute addresses this issue in a responsible manner. Once again, it is an example of a missed opportunity by the budget before us tonight. I urge my colleagues to vote "no" on the budget and "yes" on the Republican substitute.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Chairman, I rise in strong support of this resolution. Our colleagues on the other

side of the aisle argue that this budget represents the largest tax increase in history; nothing could be further from the truth. This budget does not increase taxes by a single dime.

Rather, this budget simply extends current law as the President and the then-Republican majority designed with the 2001 and 2003 tax cuts, which expire on December 31, 2010. At that time we will have a decision to make: Whether to renew those tax cuts, and how to pay for them. The era of blank checks for tax cuts is over. Today, we restore fiscal responsibility to the budget process. With respect to entitlement reform, I think many of us would like to hear some acknowledgment from our friends on the other side of the aisle that the \$3 trillion in debt that was accumulated on their watch makes dealing with the growing demands on Medicare and Social Security all the more difficult to contend with.

We balance the budget within 5 years and set the table for tax-writing committees to do their job, which first and foremost, should result in repeal of the AMT for middle-income Americans once and for all.

As this budget puts us on the glide-path to fiscal responsibility, it dramatically raises spending levels education, veterans, and health care. These priorities will never be overlooked on our watch.

We reject the President's proposal to cut funding for education by \$1.5 billion and eliminate 44 programs. We give college students and their families a chance to succeed by rejecting the President's plan to zero out SEOG, Perkins loans and need-based grants.

Mr. Chairman, I commend the distinguished chairman and his staff for their excellent work, restoring middle-class priorities is accomplished. Fiscal responsibility is achieved. Finally, the fiscal blueprint of America's future reflects our hopes, dreams and the promise of economic prosperity and security in the years ahead.

Mr. SPRATT. Mr. Chairman, I yield 1½ minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Chairman, I stand here tonight as probably the only Member of this House of Representatives that is a member of the Congressional Black Caucus, the Blue Dogs, as well as the New Dems. That is a broad cross-section of diversity within our party that is not shared by this party, and I make that observation only because the American people are watching this tonight. The truth must come out and be said properly.

That is why all three of these groups, moderate, conservative to the liberal are behind this budget. Let me state very quickly, because there is one fact I want understood tonight, and that is that this budget is not a tax increase, does not raise taxes one penny.

Let me quote, for example, and this is not Democrats who are just saying this, this is what economists from the Concord Coalition, moderate conservative economists say. "Thus to be

clear, the Democratic budget resolution does not call for or require a tax increase." That is not just us saying it.

From the Center on Budget and Policy Priorities, this is what they say: "The House plan does not include a tax increase."

The Alexander Hamilton Project of the Brookings Institute says this: "This Democratic budget does not raise taxes."

Now, that is so important for us to get across tonight. They have run the polls. They did their surveys. Stick it to the Democrats, just say they are raising taxes. That will stick with them.

But not tonight, Mr. Chairman, not tonight. These are other people who are speaking and saying that the Democrats' budget does not raise taxes.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself 1 minute to simply say, you can get every left-leaning think tank to say whatever you want, but the Congressional Budget Office is saying: This raises taxes. Plain and simple.

We can reinvent new words and come up with new language. We can put reserve funds that are meaningless into the budget.

Mr. SPRATT. If you are quoting the Congressional Budget Office, can you cite the quote?

Mr. RYAN of Wisconsin. The CBO says that their baseline, which the gentleman is using for his budget, if the tax cuts expire, the baseline goes up, that is what they are using.

Let me put it another way. According to the Congressional Budget Office, their budget does not balance if they don't raise taxes. Their budget does balance, which they are claiming it does, by letting these tax cuts expire and raising taxes across the board.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Chairman, whatever the rhetoric, the Democratic budget resolution fails to keep faith with the American people.

Instead of embracing fiscal responsibility, it underwrites a saturnalia of spending propped up by, and listen to my words, the largest tax increase in American history.

Instead of maintaining pro-growth tax policies that grow the economy and reduce the deficit, this budget clobbers the American economy by requiring nearly \$400 billion of new revenue.

Instead of protecting middle-class families, it lays the groundwork for tax increases on a whole new level of taxpayers.

Instead of setting new priorities, it throws priority setting to the wind and undercuts the benefits of tax policies that have clearly helped the middle class.

The details are stunning. For starters, the Democratic budget threatens to reduce the child tax credit by half, increase the lowest tax bracket from 10

to 15 percent, reconstitute the marriage penalty and eliminate incentives for higher education savings like the student loan interest deduction.

In my home State of Pennsylvania, the average taxpayer can expect to see an estimated \$3,000-plus increase in their annual tax bill. That is an increase in the tax bill for a working family of more than \$15,000 over a 5-year period. That is a different standard of living.

So much for their empty rhetoric about children and families. Not only does this budget contain the largest tax increase in American history, it also chooses to employ smoke and mirrors instead of underwriting real financial relief from the AMT for Americans.

For years, the AMT has been a growing monster because while originally intended to close loopholes for the very wealthiest taxpayers, it was never indexed for inflation. It is now hitting more and more middle-class taxpayers. As a result, this year, without relief, 23 million taxpayers will be forced into AMT status and hit with a significant tax increase, ten times the number than if it had been indexed to inflation. The Democrats' budget does nothing, sets aside no resources to address this problem.

Our friends on the other side of the aisle fail to include an AMT repeal in their budget. They don't even include the bare minimum step of a patch to keep it at bay as Republicans have in previous years. Instead, this budget resolution holds millions of middle-class taxpayers hostage to a record tax increase. Don't let the rhetoric on the other side of the aisle fool you. The reserve fund that is folded into this resolution is utterly meaningless. This is a piggybank that doesn't even rattle when you shake it.

America's working families deserve better. I urge every Member who cares about working families, cares about protecting their earnings to vote "no" on this budget today.

Mr. SPRATT. How much time is left on each side, and who has the right to close?

The Acting CHAIRMAN. The gentleman from South Carolina (Mr. SPRATT) has 7½ minutes remaining, and the gentleman from Wisconsin (Mr. RYAN) has 18 minutes remaining.

The gentleman from South Carolina has the right to close.

Mr. SPRATT. Mr. Chairman, I reserve the balance of my time for closing.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield to myself 1½ minutes.

I want to go to the point that I mentioned a minute ago about who says what about what this budget does. Let me talk about the Congressional Budget Office. By law, that is what we use.

Here is what the Congressional Budget Office says: The year 2010, all of these tax cuts expire. I think we all agree with that. All of these tax cuts expire in 2010. But we are talking about

marriage penalty, per child tax credit, death tax, capital gains dividends, income tax rates across the board, they all go up.

That is the red line. That red line shoots up because all of those taxes are increased. That is the line the Democrats are using to run their budget. That is the line the Democrats are using to finance their new spending. That's the line the Democrats are using to show that they get to a balanced budget.

The green line, the dotted line, that is the CBO line that says here is what revenues will be if you extend the tax cuts. That's the line we are using in our budget. We are balancing the budget by controlling spending.

So reserve fund, shmerve fund, that means nothing. What matters are the numbers. And the numbers, not by the Center For Budget and Policy Priorities, not by the Brookings Institution. The Congressional Budget Office. The Congressional Budget Office shows us very clearly, black and white in the numbers, in the numbers in your budget resolution.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The Chair reminds Members to direct their remarks to the Chair.

Mr. RYAN of Wisconsin. Mr. Chairman, what I am saying, the red line shows all the tax increases kicking in and hitting American taxpayers. That is the line that the Democrats are using to run their budget, to balance their budget, to pay for their new spending.

You can use any word you want, you can't escape the fact that they are imposing, banking on, planning on, assuming, legislating the largest tax increase in American history.

They want to smoke screen it with reserve funds and cute language. The fact is the fact, and the fact is underlined by the Congressional Budget Office.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. HENSARLING).

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Mr. HENSARLING. Mr. Chairman, I thank the gentleman, the ranking member, for yielding once again; and I wish to follow up on his insights about this single largest tax increase in American history that the Democrats are trying to impose. Again, Mr. Chairman, it is reminiscent of what they did 12 years ago, the last time they were in the majority. Again, as I said, they at least get an A for consistency.

But, Mr. Chairman, this is very, very serious business; and we need to take a good hard look at the numbers. But beyond the numbers, Mr. Chairman, we need to look at the people.

Earlier this evening, I read some correspondence from some constituents from the Fifth District of Texas that I have the honor of representing in Congress. These are people who will be hurt by the single largest tax increase

in American history that the Democrats are attempting to impose upon America today.

I heard from Carrie of Dallas, and she said: "Jeb, you asked us to let you know what we'd be sacrificing if I had to spend another \$2,200 in taxes. Well my family's basic needs may not be met, food, shelter, school clothes for the kids. Not to mention not being able to pay my creditors. Please continue to do your best to help the working class and families."

Well, Mr. Chairman, I want to let Carrie in Dallas know that I want her to be able to keep her earnings, and I am going to fight this single largest tax increase in American history that the Democrats are trying to impose.

Mr. Chairman, I heard from Lorri in Palestine, TX: "Dear Congressman, I have a son going to college and my mother is on a fixed income and needs my help more times than less. The tax relief I received gave me the opportunity to help my family with their needs. If my taxes are increased again, my family would suffer tremendously."

Well, Mr. Chairman, I want to let Lorri in Palestine know that I am going to do everything I can to make sure she can keep more of her earnings and fight this single largest tax increase in America's history.

Mr. Chairman, I had a particularly poignant letter from Linda from Rowlett, TX, that I have the honor to represent in Congress. She said: "This tax increase would make the difference whether my daughter and her husband would be able to purchase a car or not. For my husband and I, it helps us continue with his radiation treatments for his prostate cancer. It allows us to continue providing in-home assistance for my elderly parents, one of whom has Parkinson's and one who has dementia. Please allow us to retain this money for our needs. Please do not let our government take additional tax dollars from us. Please allow us to decide how this money will be spent. Please do not allow the government to decide for us."

Well, Mr. Chairman, again, I have a message for Linda of Rowlett. I am going to do everything I can to ensure that she gets to keep her earnings for her family, for her health care needs, for her housing needs, her transportation needs.

Vote against this largest tax increase in American history.

The Acting CHAIRMAN (Mr. POMEROY). Who seeks time?

Mr. SPRATT. Mr. Speaker, I am reserving my time to close.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds.

As a representative from the State of Wisconsin, each of us represents about 670,000 people in our congressional districts, and in my home State of Wisconsin, the average tax increase on the average household in the State of Wisconsin will be \$2,964, and this will hit 2,164,000 taxpayers. Numbers do not lie. The CBO certifies it. If we pass this budget and it comes into being, that is

what will happen. Mr. Chairman, I think that is wrong.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Chairman, I look at our families in Texas, everything seems more expensive these days, whether it is getting your kids through school or paying medical bills or insurance or paying light bills; and it is tough enough for family budgets to stretch as it is. I just cannot imagine why we in Washington would hand our families another tax bill for \$2,700 for Texas families and expect them to like it, especially since we can balance this budget without that tax increase.

When I talk to our Texas seniors, the first thing they tell me is, please stop spending our Social Security money, quit spending the trust fund; that is our money. Yet, the Democrat budget spends that Social Security trust fund. The Republican budget for the first time in 40 years stops spending it, preserves it for Social Security.

When I look at small businesses, who are the backbone of our country and really struggle to make payroll, I used to be a Chamber of Commerce manager. I know how hard it is to meet that payroll. And 26 million small business owners, we are going to hand them another tax bill of about \$4,000 on top of what they struggle today? That is just asking too much, especially when we can balance the budget without those tax increases, without taking senior's Social Security, and do it the right way.

That is why I respectfully disagree, strongly disagree with this bill and why we need to pass the Republican alternative. It makes much more sense for our families.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, this is a very important debate. It is an important debate about our priorities as a country. It is an important debate about how we run the fiscal ship of state, but it is more important than that. It is an important debate about our future.

I related a story the other day in committee that I want to share again with my colleagues.

When I first ran for Congress in 1998, I was a 28-year-old young guy, single, no children. I remember at a Kiwanis Pancake Day, we have a lot of pancake days in Wisconsin. It is how we raise money for charities. I remember going up to a woman in line, not much older than me, and she had three little children. I asked her for her vote. I asked her to support me in my race for Congress.

She said something to me. She said, I do not think I am going to vote for you. I said, well, why not? She said, because I do not think you can relate to me. I said, well, why can I not relate to you? She said, because you do not have children and you do not know what it is like to have children; you do not know what it is like to think about

their futures. I said, well, I was in a family. I know what it is like to be in a family. And you know, I did not understand what she was saying to me at the time.

You know what? Now that I have a 5-year-old daughter, a 3-year-old son and a 2-year-old son, I understand exactly what that woman was telling me. I understand exactly what it feels like to really, really, really care about the next generation. It is like your heart is walking around in someone else's body. I can only imagine what grandparents feel like.

So this debate is about numbers. It is about priorities, how much for the Pentagon and how much for veterans and how much for this program and that program. But it is also about what is that horizon we are looking for, what is that vision on the horizon and what are we doing for our kids and our grandkids? What legacy are we putting in place for our country?

The great, beautiful thing about America, the American Dream is that one generation leaves a better standard of living for the next generation. That was drilled into me by my parents, that they were working and thriving so that we would have a better life than they had. That is what our job in Congress is to do.

We have big challenges and our country has faced big ones before, the Great Depression, World War I, World War II, the Cold War. We have got three challenges right now hitting us simultaneously, the global war on terror, globalization, and this entitlement explosion, the retirement of the baby boomer generation which we are not prepared for. This budget is about all of those things, but let me talk about two of them.

Globalization: We have got new kinds of competitive pressures against us unlike that which we have ever seen before. No longer do the oceans separate us from competitive pressures. We have broadband and digital technology. We have competition from countries like China and India unlike any we have ever seen before, and it is something we have to respond to so that our kids and our grandkids can have that higher standard of living.

At the same time, we have got entitlement programs that are exploding before us. We have an enormous debt on our horizon that we have to address.

Now, you heard this talk about taxes, tax increases. This budget does unequivocally raise taxes. I will not belabor that point.

Let me show you three lines. The lower line here, the blue line, shows you what revenues would look like if we kept those tax cuts permanent. That is what our budget will propose to do. Do not raise taxes, keep the marriage penalty down, keep the kid credit where it is, keep income tax rates where they are, get rid of the death tax, do not raise taxes. That is the blue line.

The red line right here shows you what happens if we let the tax cuts expire as this budget proposes to do if you increase taxes. It shows you a \$400 billion tax increase.

What really matters here is not the red and the blue line at the end of the day for our children and grandchildren, matters a lot, but at the end of the day what matters is the green line, the spending line. This is the line that is occurring right now under our watch. This is the spending trajectory of the Federal Government because of Republicans and Democrats, both of us. We are all in this thing together. This is the line that happens.

So if you do not address the spending, you are not addressing the real problem. That is why I really have a big problem with this budget. Not only does it have the largest tax increase in history, not only does it raise taxes about \$400 billion, it does nothing to control spending. It does not reform our entitlement programs. If you want these entitlement programs to succeed, to exist, to continue, you have to reform them.

Let me show you one more chart. This is the Government Accountability Office. This shows you the trajectory we are on when you take a look at Medicare and Medicaid, Social Security, interest on the debt, when you take a look at all the discretionary spending. It shows you this: By the year 2040, that is when my kids will be exactly my age, by the year 2040, our Federal Government will be doubled in size.

Let me put it another way. If we want to have no new programs whatsoever, keep today's government in place, no fewer programs, no more programs, just today's Federal Government, the cost of that Federal Government when my kids are my age will be double what it costs today.

Let us put it another way. We have historically run our government, the Federal Government, by taxing about 18 percent of GDP to fund the Federal Government. Since about 1960, the Federal Government has had to tax the American people at about 18 percent of the economy and its output to fund the Federal Government. When my kids are my age, to fund today's Federal Government at that time it will require us to tax 40 percent of GDP. We will literally have to tax our kids at twice the rate we are taxing ourselves today if we do nothing to reform spending and reform these entitlements.

You cannot survive globalization if you are going to double the tax rates on every man, woman and child in America at that time. We cannot win when we are competing against the likes of China and India if we are going to crank taxes up like that.

So the real problem with this budget is not what it contains, the largest tax increase in American history. The even larger problem with this budget is that it contains no reforms. It contains no spending control. It includes immense new spending.

You have 12 of these reserve funds which are worth less than this piece of paper. They do not pay for anything, but the one thing they do say is we want to spend \$115 billion in more money. We do not have the money for it, but if we can have the money for it, we would do it. The other reserve funds say we do not want these taxes to go up, but we are planning on having them go up. We would stop them going up if we had money to do it, but we really are not stopping these tax increases.

You cannot have it both ways. You cannot say you are going to balance the budget and not control spending without raising taxes. In order for your budget to balance, in order for the Democrat budget to balance, Mr. Chairman, they have to raise taxes, especially since they are not only not controlling spending, they are increasing spending. That is the way mathematics works.

But more important than all of this, Mr. Chairman, is the fact that we have to get our kids and our country ready to compete in the global economy. We are not prepared for that. We have got to do more to help them compete, and we do not do it by doubling their taxes.

□ 2030

We tax our country, our businesses and our capital more than any other country in the industrialized world except for Japan, and they just finished two decades of recession. We can't tax our way out of this problem. We will tax ourselves out of being the leading economic superpower. We will tax ourselves out of a good standard of living.

If we don't tackle this problem, we will have severed that American Dream, that American legacy, that legacy that says each generation should leave on to the next a better country, a better standard of living. That is what is really wrong with this budget. We can't keep spending or taxing our way out of these problems. If this budget achieves balance on paper, which I will clearly, freely admit that it does, it will only do so for a short period of time.

Because if you don't fix these entitlement programs, it will drive us that much deeper into debt, that much more in the deficit, just around the corner. Social Security, Medicare and Medicaid are the big three entitlements. They are very important programs. Health care for low income, health care for people in old age, retirement security. We all agree with that. We think that is the right thing.

But you have got to reform these programs if you are going to save these programs. You have got to reform these programs if people are truly going to be able to count on these benefits. Because if you don't reform these programs, you are driving the debt even higher. You are driving taxes up on our kids and grandkids even more. Not only will we not have programs to depend on for our livelihood when we

reach the age of 65, not only will we not be prepared for the baby boomers, we will hit our kids with the biggest tax burden this country has ever seen.

We will lose our greatness, and we will not pass on this legacy of a better country and a higher standard of living to our children. I urge a "no" vote on this budget.

The Acting CHAIRMAN. The gentleman's time has expired.

Mr. SPRATT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have been treated to a show tonight featuring a one-trick pony. Every Republican who has come to the well of this Chamber has come with the same mantra, the same slogan, alleging wrongfully that our budget resolution would raise taxes. We have repeatedly explained why, only to have them keep coming to the floor basically on the belief if they say it often enough, maybe somebody will believe it.

Here is one thing you can believe. There is no conjecture in this. These are matter of fact. As Casey used to say, you can look it up. You can look it up. There is the debt of the United States, \$5.7 trillion before President Bush came to office. Here is the debt of the United States today, \$8.8 trillion. That arithmetic is very simple and very straightforward. It's a \$3.1 trillion increase of debt of United States on their watch. This isn't conjecture, this is a matter of record.

I will just show you this chart one more time, because it shows that the revenue flows that we are projecting, based upon CBO's base-line certification of projection of revenues is essentially the same as the President is assuming in his budget from OMB, there is a 1.2 percent difference. This is the so-called biggest tax increase in American history. The President is right where we are, 1.2 percent difference between us.

Now, why all of these shenanigans? Partly it is because this is a red herding. They don't want to talk about really what is in their budget resolution. It's their resolution they will have to pass tomorrow. They bear the burden of truth and persuasion. You would think they would be talking about it.

But deep down in that resolution, you have to dig hard. You will find the same thing in the Agriculture Committee. This year they are to renew and reauthorize the farm bill. We want you to reconcile \$9.85 billion in cost reduction in the agriculture bill. It will be awfully hard to get that farm bill out if that reconciliation is implemented.

They say to Labor, which has student loans, Pell Grants under its jurisdiction, you can cut \$4.9 billion. Where from, student loans? No where else to go.

They say to Energy and Commerce, with Medicare and Medicaid in its jurisdiction cut \$97.539 billion over the next 9 years. Judiciary and our law enforcement programs, cut \$3.5 billion

dollars; Natural Resources, already strained, huge backlog for our national parks, cut \$4.7 billion; Transportation and Infrastructure, about to run short of funds for our highways, cut \$4.2 billion; Ways and Means, with all kinds of safety net programs, this is an instruction to Ways and Means, to cut \$153 billion.

Now, this is done under the name and guise of balancing the budget. But what's the bottom line? They also tell Ways and Means to cut taxes by \$447 billion.

When you net the \$447 billion tax cut against the \$278 billion in reconciled spending cuts, the result is \$168 billion more to be added to the deficit. That is why they are talking about this other subject. That is why they wouldn't talk about their own resolution. Our resolution will stand on all fours. Our resolution is a good resolution. It's not the best, but it is doggone good.

It brings us to balance by 2012. It fully funds defense. By the way we don't have any shenanigans with the outlays. We don't short up guys in the field \$67 billion in outlays. When we get through paying and providing for defense, which is a big item there, is not a lot left over. We husband our resources. We say to our veterans, by golly, you deserve what you are talking about. We give the biggest increase in history, \$5.4 billion over current services for veterans health care.

Education, we think it's critically important. We genuinely believe in it on this side. We provide \$9 billion more than the President for education next year, over the next 5 years, we provide \$46 billion more for education than does theirs.

Children's health insurance, it's going to expire this year. What they propose will not even allow us to insure the children now on the program. We want to not only renew it, but expand it. We also want to pay for it. So we say to those who advocate SCHIP, its expansion, if you pay for it, you can go up to \$50 billion in expanding the program. That is in our budget resolution.

Why do they want to put this red hering out there? To keep us from talking about these things that the American people really care about, the health of their children. They should.

We don't have any Medicaid cuts, and we don't have any Medicare cuts. I will tell you, because I have been at this business of the budget for a long time, in 1990 and 1991 Democrats voted for budget measures that truly reduced the deficit and had some restraints on Medicare and Medicaid in them; 1997, the same thing; 1993, with Mr. Clinton, the same thing. When we knew that it was going to improve the bottom line and not be used simply to offset another of their tax cuts, we were willing to pay for Medicare and Medicaid reduction. They have not been able to or willing to.

Finally, as to taxes, we have no tax increase anywhere in this resolution, none whatsoever. For that matter, the

2001 and 2003 tax cuts, particularly those middle-income tax cuts, which we list and enumerate, not once but twice in our resolution, we fully protect them and leave them in place, full force and effect, this year, next year, 2008, 2009 and 2010.

They only expire then, not because of anything in this budget resolution, but because when the Republicans first wrote those tax cuts and passed them, they put that sunset date in there in order to diminish the size and shoehorn these tax cuts under what was allowed under that budget resolution.

We have got a good budget resolution. It will stand on all fours. It brings the budget to balance in 2012, encourages less in deficits and depth than the President does. Furthermore, we have got a track record to talk about.

When President Clinton came to office in 1993, there was a deficit of \$290 billion. Every year thereafter, every year thereafter, the bottom line of the budget got better, to the point where in 2000, there was a surplus of \$236 billion. That is what happened on his watch.

President Bush came to office with an advantage few preceding Presidents have enjoyed, a surplus of \$5.6 trillion projected by his own economists. He has run that into a deficit of \$8.2 trillion. We haven't seen a reversal like that since the Great Depression. That was not the President's fault in the 1930s.

This is the record they have to rely on. The record we have to rely on is the record of the Clinton administration, which balanced the budget in the year 1998 for the first time in 30 years, and built up a surplus of \$236 billion, which we turned over to Mr. Bush.

We will discuss this further tomorrow. But what we offer is a responsible budget resolution that reaches responsible results but is balanced well in its priorities.

The Acting CHAIRMAN. The gentleman's time has expired.

The gentlewoman from New York (Mrs. MALONEY) and the gentleman from Texas (Mr. BRADY) each will control 30 minutes on the subject of economic goals and policies.

The Chair recognizes the gentlewoman from New York.

Mrs. MALONEY of New York. Mr. Chairman, as Vice Chair of the Joint Economic Committee, I am pleased to speak in the time reserved by the Budget Act for a discussion of economic goals and policies that is traditionally led by members of this committee.

Mr. Chairman, we have a responsibility to chart a more sensible course for economic policy than has been pursued over the past 6 years, and this budget starts us down that path.

The President says his policies are working to make the economy strong, and that all Americans are benefiting. But evidence of a slowing economy is building, and an anxiety over the state of the economy remains high. The

meltdown in the subprime mortgage market is also adding to worries about the overall health of the economy.

American families are optimistic by nature, but they are understandably worried about the future, because the economy is weakening, even before many have shared in the gains from the economic growth we have seen so far.

Despite 5 years of economic expansion, most American families have struggled just to hold their economic ground on President Bush's watch. Job growth has been modest. Wages are barely keeping pace with inflation. Real incomes have fallen, household debt is rising, employer-provided health insurance coverage is declining, and private pensions are in jeopardy.

These are the economic barometers that matter most to America's families. Having a job is the key indicator of economic well-being for the vast majority of Americans. The President likes to talk about these 7.5 million jobs created since August of 2003, but he neglects to mention the fact that more than a third of those jobs were necessary just to replace the ones that were destroyed between 2001 and 2003.

Most Americans depend on their earnings to support themselves and their families. But unfortunately, workers' pay has lagged far beyond productivity, and wage growth has been weaker and more unequal than in the late 1990s. Strong productivity growth has translated into higher profits for businesses. Corporate profits are at an all-time high as a share of GDP, but not more take-home pay for the average worker.

Focusing on usual weekly earnings of full-time workers, we see only modest gains concentrated in the upper half of the distribution from 2000 to 2006. As we see in this chart, the red bars show the unequal gains during the Bush administration, and the blue bars show the Clinton years when earnings grew for everyone across our country.

The divergence between the haves and the have-nots in the Bush administration economy stands in marked contrast to the last 4 or 5 years of the Clinton administration when real wage gains were strong up and down the wage ladder as productivity growth first accelerated.

These earnings figures do not reflect bonuses of highly paid executives or capital gains and other nonwage income earned at the very top of the income distribution. This picture likely understates the disparities. The people experiencing the largest income gains are executives and highly compensated individuals, while ordinary American workers are only just beginning to see some gains in their paychecks after inflation.

Workers' pay and benefits, the red line, have grown only half as much as productivity; the blue line over the last 6 years. Typically, real compensation of workers, their wages and benefits, tend to track productivity growth as

they did in the late 1990s. But that has not happened since the 2001 recession. Productivity growth has been strong, but real inflation-adjusted compensation growth has been weak.

The compensation growth we have seen came much more from benefits than from wages, but not because employers suddenly became more generous. Benefit costs have been increasing because health insurance costs are rising and employers have had to make contributions to restore the solvency of their pension plans.

□ 2045

Higher benefit costs have squeezed take-home pay, but workers have not been getting more generous benefits in return. Slow job growth and stagnant wages during much of the Bush administration have depressed families' incomes. Median household income in 2005 was nearly \$1,300 lower than in 2000, a loss of 2.7 percent during the President's first 5 years in office. Clearly, many American families have a lot of lost ground to make up.

Those who are already well-to-do are doing very well in this Bush economy, but the typical American family is struggling to make ends meet in the face of high costs for energy, health care and a college education for their children.

College tuition is up 44 percent, health insurance premiums are up 87 percent, and the price of gasoline was only a \$1.45 per gallon when the President took office.

Somehow, the President's tax cuts were supposed to make up for all of this. But the lion's share of the tax cuts went to the people at the very top, especially the top 1 percent of earners.

The legacy of the President's tax cuts has been to run up massive deficits and debt that leave us unprepared to deal with the budget challenges posed by the retirement of the baby boom generation, and that weakens the future standard of living of our children and grandchildren.

This administration has presided over a stunning reversal of fortune. The \$5.6 trillion, 10-year budget surplus that they inherited turned into a deficit over those same 10 years of at least \$2.3 trillion.

The administration has incurred the three largest budget deficits on record, including a \$413 billion deficit in 2004. The deficit may be retreating, as it usually does in a business cycle recovery, but each year's deficit still stands in marked contrast to the projected surpluses when the President took office.

The gross Federal debt is now almost \$9 trillion, or more than \$29,000 per person. That is how much every man, woman and child in America owes to this debt. This is the fiscal mess that we have to clean up. Thanks to the President's policies, we are now a Nation of debtors, relying on the rest of the world to finance our budget deficits and excessive spending.

Our current account deficit, which is the broadest measure of our trade deficit with the rest of the world, rose to a record-smashing \$856 billion in 2006, from \$791 billion in 2005.

This administration keeps giving us records, but they are the wrong kind of records. Record deficits, record debts, and record amounts of money owed by each American citizen. The amount of Federal debt owed by foreigners has more than doubled under President Bush, rising to \$2.2 trillion, with Japan and China alone holding \$1 trillion of our debt.

Recent stock market volatility underscores just how vulnerable the U.S. economy has become to the decisions being made in other countries. When China sneezes, a half a world away, the U.S. economy catches a cold.

Our future prosperity depends on increasing our normal saving and making wise investments. It depends on being ready for the retirement of the baby boom generation and the pressure we know that that will put on our budget.

The challenge for this Congress is to return to the fiscal discipline that has been squandered by the President and Congress over the past 6 years, and that is what this Democratic budget proposal does.

Mr. Chairman, I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Chairman, on behalf of the ranking member of the Joint Economic Committee, Mr. SAXTON, I yield myself as much time as I may consume.

A couple of corrections here. Let me make the point that the American economy is still one of the strongest in the Nation, in the world, the largest economy in the world. We have had 42 straight months of job growth. We have created 7.6 million new jobs under President Bush. We have low unemployment. And this was all done as President Bush inherited a recession as he took office.

I should make note that President Clinton inherited an expanding economy. President Bush inherited one that was slipping into recession. And you don't need to take my word for it. Joseph Stiglitz, the Nobel Laureate and President's Clinton's own chairman of the Council of Economic Advisers, observed the economy was slipping into recession even before President Bush took office.

So let's talk about the facts. Let's talk about this budget. I actually think it is a healthy thing that we are arguing over how to balance the Federal budget. That is something that ought to be a goal of both parties.

And, frankly, as a Republican, I am convinced one of the reasons we got fired from management of Congress is that we forgot to pursue a balanced budget. We forgot to limit spending. We forgot to try to look out for the American taxpayer.

I oppose this Democratic budget because it increases the Federal deficit by billions of dollars next year. It con-

tinues to raid the Social Security trust fund, and it does include the largest tax increase in American history. And that is not only fiscally irresponsible, it means a staggering \$2,700 tax increase for our average Texas family of four.

Now, this budget will spend nearly \$3 trillion next year, and we will impose almost \$400 billion of tax increases to finance new Federal spending. If you look at what it does, it allows President Bush's tax relief to expire, bringing back the marriage penalty, bringing back the death tax, cutting the child tax credit in half, and raising the income capital gains and dividend tax rates.

And their budget, closer to home, next year it also kills the State and local sales tax deduction, which I and others on both sides of the aisle worked so hard to restore. That State sales tax deduction saves Texas families \$1 billion annually, and they will see a new tax increase shortly after this holiday season.

And what is, I think, most absurd, I was listening to the chairman of the Budget Committee's discussion on shenanigans and I thought, I have not seen a bigger shenanigan in any budget in history than what is called the reserve account in the Democrat budget. What they say is, we will do tax relief for middle-class families, but we will pay for it with the reserve account. You ask, what is in the reserve account? And not a single dime, not a single dollar. It is as if someone said, here is a check for what I promise you, but the bank account is empty. I don't know if there will be money in it ever. I don't know how to put money in it. But, trust me, here is a check. Those reserve accounts are the biggest shenanigan.

And after years of criticizing President Bush for not eliminating or at least reforming the alternative minimum tax, the Democrat budget doesn't allow for even 1 year of it, which means an additional 20 million Americans will be hit by this growing tax next year.

I am backing an alternative budget, the Republican budget, that balances the budget in 5 years without a tax increase and ends the raid on the Social Security trust fund.

It seems to me tonight we have probably as clear a choice as we have had in many years between the Democrat philosophy of balancing the budget and the Republican.

The Democrat philosophy in this budget is, we will balance it, which is good for them. We balance it by increasing spending and increasing taxes on hardworking families.

The Republicans approach is, we will balance it a different way, by limiting the spending and by keeping the tax relief that families need. And there has never been a clearer choice.

And I think, too, I look at the promises that were made last campaign by

our new majority. We are going to reduce the deficit. Yet, under this budget, the deficit will actually increase \$36 billion in 1 year, \$36 billion. That compass is headed the wrong direction.

They said, we will stop spending the Social Security trust fund, but they spend all of it this year and in every year. And they say, we promise middle-class tax relief, but, instead, they provide tax increases on families and small businesses and single moms with children.

In a moment I am going to go through some of those tax increases which, frankly, as expensive as life is these days for most families, I know our families in Texas can't quite handle that big a hit.

Mr. Chairman, I reserve the balance of my time.

Mrs. MALONEY of New York. Mr. Chairman, I yield myself such time as I may consume.

First of all, Mr. Chairman, I just want to remind my dear friend on the other side of the aisle that the Bush administration has given this country several records, only they are the wrong kind of records: \$9 trillion in debt, the largest debt this country has ever carried; \$859 billion trade deficit, the current account deficit, the largest trade deficit in the history of this country. And out of that \$9 trillion, each of us in this room and each person across America owes \$29,000. That is their portion of the debt that we owe.

Once again, we have heard about job creation. As I have said earlier, a third of the jobs created since 2003 were necessary just to make up for earlier job losses. Under President Clinton, the economy created 237,000 jobs per month, and this administration has created well less than 100,000 jobs per month.

Mr. Chairman, I reserve the balance of my time.

Mr. BRADY of Texas. Mr. Chairman, I yield myself 1 minute to make the point that under President Clinton's watch we did have a strong economy. It turned out that much of it was false, based on the supposed paper accounts of Enron and WorldCom and others. Too many families woke up after the Clinton administration and realized that retirement fund they had counted on their whole life wasn't worth the paper it was written on.

And I will make the point, too, that after the attacks of 9/11, after this recession, after this administration handled the fallout of this recession, that we bounced back with tax relief that created 7.6 million new jobs in America. We are going in the right direction.

Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. PENCE), former head of the Republican Study Committee and one of our leaders on fiscal discipline.

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Chairman, I thank the gentleman for yielding; and I ex-

press strong support for his leadership and remarks concerning the Joint Economic Committee.

I also would echo the sentiments of the chairman who expressed on this floor, moments ago, the importance for pursuing a "more sensible course for economic policy." And, as she did, I will reflect on the fact that that begins with the Federal budget.

We are in the midst, Mr. Chairman, of considering the Federal budget; and I rise this evening to reflect on that, however briefly. But I must tell you, I have a strong sense of *deja vu* as I come to this floor. It seems like it is the 1970s all over again.

I mean, seriously, if you think about it, there are hostages in Iran; Congress is making plans to withdraw from another unpopular war; the Equal Rights Amendment is about to be considered in the Congress, once again; and the tax-and-spend policies of a liberal Democrat majority are about to beset Washington, D.C.

□ 2100

The contrast between the Democrat plan for tax and spend and the Republican plan to balance the budget by 2012 could not be more startling, and I would like to speak about that this evening.

On taxes, under the Democrat budget that will be considered tomorrow, we find the largest tax increase in American history. Despite hollow promises, the tax hikes are in the numbers, and in a budget resolution the numbers don't lie.

The Republican budget, no tax increases, period.

On the spending side, the Democrat budget includes a \$22 billion increase in nondefense spending above the President's request on top of \$22 billion of unrequested spending in the supplemental and \$6 billion in the omnibus. More taxes and more spending.

Under the Republican budget, we see a courageous effort to freeze nondefense, nonsecurity spending, while providing additional funds for veterans, the war on terror, CDBG, the National Institutes of Health and Science and Technology.

And perhaps most grievous and most startling a contrast, Mr. Chairman, is under the Democrat budget that will be considered tomorrow, we see a majority party in Congress that is prepared to ignore the trillions of dollars in unfunded obligations in entitlements altogether. The Democrat budget ignores the Nation's looming entitlement crises and allows unfunded liabilities in Medicare and Social Security to actually grow by an additional \$25 trillion.

Again, the Republican alternative includes \$279 billion in savings and commonsense reforms to entitlement programs to preserve our social safety net for future generations. And on budget process reform, believing, as I always have, that we must change the way we spend the people's money, the Democrat budget relies on gimmickry and

hollow promises of reserve funds and PAYGO strategies that will only chase higher spending and higher taxes.

Under the Republican plan, we see legislative line item veto and PAYGO for all congressional spending.

So the contrasts have been startling, and it does seem like *deja vu*. But who will pay the price? Well, under the Democrat plan, working families in Indiana will pay an additional \$2,700 per year. The Democrat budget resolution will increase marginal tax rates for all Americans, eliminate the new 10 percent tax bracket, increase taxes paid on capital gains and dividends, reimpose the death tax, cut the child tax credit. And that is just a start.

The GOP budget alternative will preserve tax cuts, will protect Social Security, and will balance the Federal budget by the year 2012. It is truly an historic recommitment by this Republican minority to the principles of fiscal discipline and reform.

It is, in fact, the 1970s all over again. But I would say very humbly, Mr. Chairman, let's not, as a Nation, relearn those lessons. Let's rather say "no" to bell bottoms, to disco, and to the tax and spend policies of the 1970s; and say "yes" to the fiscal discipline and reform reflected in the Republican budget resolution.

Mrs. MALONEY of New York. First of all, Mr. Chairman, I find it rather ironic that my good friends on the other side of the aisle are lecturing us on fiscal responsibility. After all, let us remember that the \$5.6 trillion 10-year budget surplus that Mr. Bush and the Republican majority at that time inherited turned into a deficit over those same 10 years of at least \$2.3 trillion. Numbers do not lie, Mr. Chairman. They turned a \$5.6 trillion surplus into a \$2.3 trillion deficit. And they are preaching fiscal responsibility.

The administration has incurred the three largest budget deficits on record, including a \$413 billion deficit in 2004. And let's remember that the Bush administration not only lost 3 million manufacturing jobs since they took office, but we now have almost a \$9 trillion debt, and that breaks down to all of us in America owing, our own individual share, \$29,000. Now, that is what they have given the American people.

On top of that they gave us another record, another horrible record. The highest trade deficit in the history of our country, \$857 billion. So they give us the record debt, the record trade deficit, and the record budget deficit in the history of this country, and they are talking fiscal responsibility. And then on top of it they turn the surplus into a \$2.3 trillion deficit.

Believe me, I am so glad that for the future of America we have a Democratic budget before us today.

Mr. Chairman, I yield 5 minutes to my colleague from the great State of Washington, Congressman McDERMOTT.

Mr. McDERMOTT. Mr. Chairman, I appreciate the opportunity to respond to what I heard out here.

I was sitting in my office listening, and it is interesting to imagine yourself being like the people at home listening on television to the Republicans talk about fiscal responsibility. Now, you have just heard the figures, but I want to bring back some images to your mind because a budget is a statement of your principles and what you care about in society.

I remember when Katrina hit and we were sitting watching television looking at the absolute chaos and failure of the Republicans to deal with a national crisis. Those pictures looked like the Third World. In fact, we were quicker to go out to Indonesia to deal with the effects of tsunami than we were to deal with the problems of people in our own country, in New Orleans.

In large measure, I believe, the election of 2006 was a rejection by the American people of the Republican we-don't-want-government-to-work philosophy. Anybody who appoints a guy who runs cattle shows or horse shows to run the emergency management organization in this country does not care about the security of the American people. Meanwhile, giving tax breaks. Unbelievable. Spending us into a deficit.

I mean, when I came to Congress, all I heard for the first 6 years were Republicans coming out and saying, We have to pass a balanced budget amendment. By God, we have got to balance the budget.

So we did in 1994. We did it, and lo and behold, here comes all this money in and soon we have a balanced budget with a potential surplus. The Republicans win, and I don't know whether they had amnesia or they didn't really mean it in the first place when they talked about a balanced budget. You can choose which of those you want.

Either they were deceiving the people or they just lost their minds when they got in control and spent us into this hole. Now for them to come out and say we are going to balance the budget in 2012, why don't you say you are going to balance the budget in 2049? That is as good a date as any. You don't mean it. You never meant it because when you came in, you made decision after decision after decision that dug the hole deeper. The old aphorism everybody knows in this country: If you are in a hole, the first thing you should do is stop digging. But the Republicans, session after session, came out here and dug the hole deeper. I don't know what they were looking for. Maybe they were looking for china or gold. I don't know where they were going. But, clearly, the budgeting that has come out of the Republicans was phony from the outset and the people said we don't want any more of that.

The people want a government that works. There is a reason why we have government. We have government to do those things for people that they cannot do for themselves. All of us over here believe in individual responsibility. We think people should be re-

sponsible. They should save money. They should get an education. They should raise their children. None of us over here disagree with that individual responsibility.

But there are some things that people cannot do for themselves. They cannot prevent the effects of a hurricane. They look to the government to deal with that. But the Republicans said, No problem. Leave the jobs open. And you could find the same kind of things all through this budget, whether you are looking at the national parks or you are looking at what they have done to the environment.

The President bragged about what a great education Governor he was, and he came in here and told us we are going to have this No Child Left Behind bill. Then he proceeded to underfund it by \$17 billion. Now, if you are serious about schools, you put the money in schools. You don't give tax breaks to people making a half million dollars a year. They have got enough to get by. Most all of them can pretty much get by on half a million. But there are schools in this country which are failing for the lack of money to do the things that are necessary for the school system.

And the choice the President made was let's give the tax break. Never mind that silly bill I had about No Child Left Behind. He didn't mean it. You didn't mean it. And that is why we had the election of 2006. And the budget you see out here is the priorities of the Democrats trying to bring some sense back to a government that we want to actually function when the people look to it and need it.

Mr. BRADY of Texas. Mr. Chairman, I yield myself such time as I may consume.

The gentleman does make many relevant points, just not relevant accuracies.

The truth of the matter is he claimed that the Democrats balanced the budget in 1994, but there was a \$200 billion deficit in 1994. In fact, it was the Republican Congress that balanced the Federal budget for the first time after 40 years of Democrat leadership in Washington, D.C.

The gentlewoman from New York claims that manufacturing jobs were lost under President Bush, but manufacturing losses began in 1998, 1999, and 2000 under President Clinton's administration.

And while I agree with the gentlewoman that the \$9 trillion debt is unconscionable, I will point out that in every budget that we passed in the 10 years that I have been here, Democrats voted against it because it was not spending enough. And the gentleman in front of me just said we haven't spent enough on Katrina, we haven't spent enough on education, we haven't spent enough on health care; yet they say we shouldn't be spending this much. And that \$9 trillion debt, when I go onto their Web sites, when I look at the press releases on all the pork barrel

projects, I brought home this highway fund, this university research, I brought home this special program, now, either they didn't support that spending or they are just claiming credit for that spending.

You can't have it both ways. You can't be fiscally responsible. You are spending too much. No, you are spending too little, and I am taking credit for what you did.

The fact of the matter is when we look at the Democratic budget, what we see is a massive tax rate, massive new spending, all in an effort, I think, to reclaim the title of the biggest government possible.

□ 2115

I try to explain this to my taxpayers back home and my families, what does this budget mean to you?

You look at an elderly couple in Texas with \$40,000 income. That is where the husband and the wife is still working. Under the Democrat bill, this elderly couple in Texas, their tax bill would rise by \$1,000 a year. That is a lot of money for a senior citizen and his wife.

A family of four with \$60,000 in earnings, that is maybe a firefighter and a secretary, this bill would increase their taxes by \$1,800. A family of four, which probably is struggling already to make ends meet.

For a single parent with two children and \$30,000 in income, that is a single mom working in the local school district, under Republicans, at the end of the year she would get back almost \$2,500. Under the Democrat tax increase bill, she would get \$1,600 less.

I know in Washington \$1,600 doesn't seem like a lot, but when you are a single mom working at the local school district with two kids, that is a lot of clothes, that is a lot of car insurance, that is a lot of medical bills for young people. This budget hands these families a tax hit that, frankly, they can't afford.

Taxes will rise, on the average, for 26 million small business owners by almost \$4,000. That is a lot of payroll. That may be the only profit they make all year.

Then, by eliminating the lowest tax bracket, you are going to take 5 million taxpayers in America who didn't have to pay taxes, we are going to hand them a tax bill and say we want to do this so we can spend more in Washington. So that we can try to balance the budget on the backs of hard-working families in America, we are going to spend more.

What my Democrat friends have never figured out is, Washington has all the money it needs. It just doesn't have all the money it wants. It is time we know the difference.

I am supporting the Republican alternative, which balances the budget without this massive tax increase. In fact, there is no tax increase at all. For the first time in many, many years, it does not spend the Social Security trust fund, which is just critical.

Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN (Mr. POMEROY). The gentlelady from New York is recognized to close.

Mrs. MALONEY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the American people voted for change, and this Democratic leadership has given them change, not only in the direction in Iraq but the direction in our budget.

I repeat, it is unbelievable. I am mystified that the Republican colleagues on the other side of the aisle are talking fiscal discipline. Let us remember, they are the ones that gave us the largest debt in history, \$9 trillion, the largest trade deficit, over \$859 billion, and they turned the \$5.6 trillion 10-year budget surplus into a \$2.3 trillion deficit. That is what they gave this country.

Within the first 100 hours of this Congress, the new Democratic leadership instituted pay-as-you-go budgeting requiring that new spending be offset. In other words, we are not spending money we don't have. We are not going to grow that deficit. Adhering to this policy helped turn deficits into surpluses in the 1990s during the Clinton administration but was abandoned by the Bush administration and the Republican-controlled Congress. That is what led us to these huge debts and deficits.

Today, Democrats in Congress present a realistic budget plan that adheres to PAYGO principles for controlling the deficit and bringing revenues into line with the amount we need to spend to defend the country and take care of the needs of our citizens.

Our budget provides health care for millions of additional uninsured children. We make investments in veterans health care and benefits. We restore critical funding for first responders and State and local law enforcement.

In order to spur innovation that will keep America number one in the world, we provide increased funding for the National Science Foundation, increase investments in math and science and education, and make college more affordable for our young people, investing in the future of our country.

We also expand renewable energy and energy efficiency to reduce global warming and dependence on foreign oil.

Democrats target tax relief to those who need it most. Our plan protects 19 million middle-American families from a tax increase by setting up a reserve fund for a long-term fix for the alternative minimum tax, which is snagging millions more families each year in its widening net. We pay for these tax cuts in part by eliminating tax loopholes and closing the tax gap to make sure that middle-class families don't have to pay the tab for tax cheats.

Mr. Chairman, this budget resolution is an important step toward putting our fiscal house back in order and creating greater economic opportunities

and prosperity for all American families.

Mr. OBERSTAR. Mr. Chairman, I rise in support of House Concurrent Resolution 99, the Congressional Budget Resolution for fiscal year 2008.

I am extremely pleased that the budget proposed by Chairman SPRATT recognizes the critical importance of meeting our nation's infrastructure investment needs, even while achieving a balanced budget by the year 2012.

Increased investment in our transportation infrastructure has far-reaching effects on our nation's economy, our competitiveness in the world marketplace, and the quality of life in our communities.

Yet, too often, capital investments are short-changed due to a more immediate need to finance day-to-day operations.

This budget does not make that mistake. Rather, it assumes full funding for programs financed by the Highway and Aviation Trust Funds. These programs are funded by highway and aviation system users and do not contribute to the deficit.

Specifically, the proposed budget fully funds highway, transit, and highway safety programs at the levels guaranteed by the surface transportation reauthorization act, commonly known as SAFETEA-LU. It rejects the Administration's proposal to cut highway and transit funding below the guaranteed levels by \$631 million and \$309 million, respectively.

The Administration's proposal to cut transit funding was particularly ill-advised. The Administration proposed that Capital Investment Grants receive \$1.4 billion, compared to \$1.7 billion authorized by SAFETEA-LU. Of the \$1.4 billion requested for Capital Investment Grants, the Administration proposed to fund 11 existing Full Funding Grant Agreements, seven projects that are currently in final design, and three other projects currently in preliminary engineering. However, the Administration's request ignores the significant pipeline of new start projects seeking funding, including 11 projects that are currently in preliminary engineering, as well as another eight projects that are very close to approval to enter preliminary engineering.

Furthermore, within the \$300 million reduction in Capital Investment Grants proposed by the Administration, \$100 million was to have come from the small starts program. The small starts program is authorized in SAFETEA-LU to receive \$200 million in fiscal year 2008. The Administration proposed to provide just \$100 million, to fund four small start projects. There are, however, at least 11 other small start projects around the country which may be ready for project development approval in fiscal year 2007.

Given that traffic congestion has become a major national problem costing motorists more than \$63 billion in wasted time and fuel each year, the Administration's proposal to cut funding for transit investments is just plain wrong, and I am pleased it is not included in the Concurrent Resolution before us today.

Beyond highways and transit, the Concurrent Resolution lays the groundwork for reauthorization of Federal Aviation Administration programs by allocating the full amounts recommended by the Transportation and Infrastructure Committee for the Airport Improvement Program (AIP). As requested in the Committee's Views and Estimates, the pro-

posed budget provides an allocation for AIP of \$3.8 billion in FY 2008, \$3.9 billion in FY 2009, \$4.0 billion in FY 2010, and \$4.1 billion in FY 2011. In contrast to the Administration's proposal to cut AIP funding to \$2.75 billion in FY 2008, the increased funding levels provided by this Resolution will allow the AIP program to keep pace with inflationary cost increases, and begin to address the investment gap in airport safety and capacity needs.

I commend Chairman SPRATT for bringing this Resolution to the Floor, and look forward to working with him on continued improvements to our nation's infrastructure.

I urge my colleagues to support H. Con. Res. 99.

Mrs. BOYDA of Kansas. Mr. Chairman, yesterday I was thrilled to join four distinguished members of the House Armed Services Committee—Ms. DAVIS, Mr. GINGREY, Mr. CONAWAY, and our esteemed chairman, Mr. SKELTON—on a tour of Fort Riley.

I am proud to represent Fort Riley in Congress, and my pride only grew as I saw the professionalism and patriotism of Fort Riley's troops. Fort Riley is charged with training Military Training Teams—small groups of American soldiers who recruit, organize, and train Iraqi forces to take charge of their nation's security.

Fort Riley goes to tremendous lengths to prepare soldiers for their tours in Iraq. The fort runs complex simulations of battle conditions—they engage actors to portray Arab citizens; they encourage soldiers to behave throughout their training as though they are already in Iraq.

For transition teams at Fort Riley, the war begins months before they leave American soil. Their war will continue through twelve months of hazardous, exhausting deployment in Iraq. And even when they return home, their war will continue still. Many will bear the scars of the Iraq war—both physical and mental—for a lifetime.

Just as Fort Riley has recognized that we cannot drop soldiers into a war zone without adequate preparation, this Congress must realize that we cannot abandon soldiers upon their return to America. We owe veterans nothing less than a lifetime of support. Abraham Lincoln understood this concept when he charged America "to care for him who shall have borne the battle and for his widow, and his orphan." It is time that this Congress meet our obligation.

I was proud in January to support a continuing resolution that increased VA funding by \$3.4 billion. Last week this House passed a supplemental bill that provided a further \$1.7 billion. These increases were meaningful and long-overdue—but our support must not waver now.

The Budget Committee has provided superb leadership toward that end. The Committee proposed a fiscally responsible, comprehensive 2008 budget that includes a \$6.6 billion increase for the Department of Veterans Affairs. Their approach has earned praise from AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, the Veterans of Foreign Wars, and the American Legion.

I urge my colleagues to follow the Budget Committee's lead.

No one can doubt that every Member of this esteemed body supports America's veterans. The only question is whether we will demonstrate our support using the most powerful tool at our disposal: the federal budget.

I urge you to turn words of support for veterans into action, to transform sentiment into financing. Please vote for full funding of the VA.

Mrs. MALONEY of New York. Mr. Chairman, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. McDERMOTT) having assumed the chair, Mr. POMEROY, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 99) revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal years 2009 through 2012, had come to no resolution thereon.

GENERAL LEAVE

Mrs. MALONEY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H. Con. Res. 99 and S. 1002.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT OF MEMBERS TO MEXICO-UNITED STATES INTER-PARLIAMENTARY GROUP

The SPEAKER pro tempore. Pursuant to 22 U.S.C. 276h, and the order of the House of January 4, 2007, the Chair announces the Speaker's appointment of the following Members of the House to the Mexico-United States Inter-parliamentary Group:

Mr. PASTOR, Arizona, Chairman
Ms. LINDA T. SÁNCHEZ, California, Vice Chairman
Mr. FILNER, California
Mr. REYES, Texas
Ms. SOLIS, California
Mr. RODRIGUEZ, Texas
Ms. GIFFORDS, Arizona

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Ms. KILPATRICK) is recognized for 5 minutes.

(Ms. KILPATRICK addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

HEALTH CARE: THE BIGGEST DOMESTIC CRISIS FACING AMERICA

The SPEAKER pro tempore (Mr. POMEROY). Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, the biggest domestic crisis facing America today is health care. Every 30 seconds, an American files for bankruptcy in the aftermath of a serious health problem. So says a recent study from Harvard University. And that is just one of the chilling new statistics that should compel Congress to act.

Every Band-Aid has been tried and has not solved the problem. Instead, the crisis of health care has been allowed to fester like an open wound. We cannot continue to tinker around the edges.

Today, the health care system is increasingly dysfunctional. America is fast becoming a nation of haves and have-nots, those wealthy enough to afford comprehensive health care coverage and the vast majority of American people struggling to maintain coverage.

It is time to provide universal health care for every American, and the only delivery system that works is a single-payer health care system, which is what I propose in H.R. 1200. We don't need to change the way health care is delivered. We do need to change the way we pay for it.

Today's health care system is pockmarked with inequities, overutilization and uncertainty. We don't get the benefit or the cost-savings of a risk pool that includes every American. Instead, we have wildly different programs, costs and outcomes across this country.

The casualties are mounting and spreading. America's health care crisis is fast becoming America's economic crisis, especially for small business, the backbone of the U.S. economy.

Data compiled by credible organizations reveals the depth of the crisis. We are spending over four times as much on health as we are on national defense, yet 47 million Americans are defenseless because they don't have any health care coverage at all. We are spending over \$2 trillion a year on health, an average of \$6,280 per person, and it is too much.

A Harvard study found that 68 percent of the people filing for bankruptcy had health insurance, and they also had an average of \$12,000 in health-related debt. Unpaid medical expenses play a role in half the bankruptcies in this country.

America is better than that. People don't deserve to fall into financial ruin in the richest nation on Earth because of an illness or an injury.

We tried everything else except the only effective solution, a single-payer system that guarantees every American has a minimum set of health care coverage benefits, decisions made locally in their own town, closest to the

patient, in a universal system that covers every American.

We do this for essential programs and services across America, from national defense to local police and fire. It is a tried and true system that protects everyone by involving everyone working together for the common good.

We have to take the pragmatic approach contained in H.R. 1200 for the good of the American people and the U.S. economy. Big business confronted an 8 percent increase in health expenses last year. Small businesses saw expenses rise by more than 10 percent. The average premium for an employer to provide health insurance to cover a family of four was \$11,500 a year, and employees typically paid \$3,000 of that bill.

□ 2130

These costs are only going to go higher in the current dysfunctional system.

Uncontrolled business expenses like these are unsustainable. At least one respected business consulting group projects that health expenses will overtake profits in many American businesses next year, 2008. This is not something 40 years down the road, it's next year. More Band-Aids won't stop the bleeding. America's health care system is failing the American people and business.

Affordable health care coverage should be a right, not a privilege, in America; but that's not the way it really is. Those who profit most by the inefficient, bloated and broken system in place today will spend millions of dollars on ads trying to scare you into believing that paying them more and more is in your best interest.

Remember Harry and Louise, that baloney in '93? You're going to see it again. Every American deserves affordable health care coverage. H.R. 1200 will do just that. We have waited too long, and we can't wait any longer.

It is time to act and pass H.R. 1200, universal health care coverage for all Americans.

The SPEAKER pro tempore (Mr. POMEROY). Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

RETURN SOVEREIGNTY BACK TO THE STATES, THE SCHOOL BOARD, AND THE PARENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. GARRETT) is recognized for 5 minutes.

Mr. GARRETT of New Jersey. Mr. Speaker, with the reauthorization of No Child Left Behind before us this